THE
Earning Power of Railroads
1917

JAS. H. OLIPHANT & CO.

61 BROADWAY
NEW YORK

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Earning Power of Railroads

1917

Mileage—Capitalization—Bonded Indebtedness—Earnings
—Operating Expenses—Cost of Maintenance—Fixed
Charges—Comparative Statistics—Investments
—Dividends—Guarantees, etc.

Compiled and Edited by

FLOYD W. MUNDY

OF

JAS. H. OLIPHANT & CO.

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PREFACE

In the following pages we present important statistics and other facts relating to the earning power and to the securities of railroads, arranged in convenient form for ready reference. The statistics are given for practically all the important railroads in the United States, Canada, Cuba, and South American countries, the securities of which are known, in a greater or less degree, to American Investors.

The Introductory Chapters explain in a general way the fundamental principles which must be applied by the investor to inform himself as to the value of the stocks or bonds of any railroad.

The Tables, which give vital statistics regarding earnings, mileage, capitalization, tonnage, etc., are designed to present the statistics mentioned in such a way as to permit of easy comparison between those of each railroad.

The Notes give information as to dividends and such other information about the railroads' capitalization, investments, physical and financial condition, etc., as appears to be of direct interest to the investor.

The official annual railroad reports have been used almost exclusively in the preparation of this book.

The one hundred and fifty-eight railroads, whose income accounts are given in the 1917 Edition of the Earning Power of Railroads, operated, in the period under review, about 250,000 miles of main track.

Frederick L. Brown
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PREFACE

The method of presentation is, we believe, such as will readily commend itself to investors and others interested in the securities of railroads.

JAS. H. OLIPHANT & CO.

Year 1917.

The author desires to acknowledge his indebtedness to Frederic M. Halsey, Statistician of Jas. H. Oliphant & Co., for invaluable assistance rendered in the work of preparing this book.

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INTRODUCTORY

As a necessary preliminary to the discussion which follows, it must be stated that this book treats in a most simple manner of the earning power of railroads, and deals but little with those features alike most essential to investors—the traffic resources and the financial and physical condition of the railroads. As a rule, comparison of the earning power of different roads can be made easily and intelligently owing to the uniformity in this regard of the reports submitted by the railroad companies. Recent legislation by Congress has resulted in establishing in the reports of railroads a practical uniformity which has never before existed. While the balance sheets of many railroads are not as complete and satisfying as they should be, yet individual investigation into the financial condition of any road can readily be made, and, as a rule, its strength or weakness financially ascertained.

All too few details are given in the railroad reports of to-day as to the physical characteristics, the character of rail and ballast, the number of grade crossings, the extent and nature of curvatures and gradients, and the number and character of bridges, culverts, etc., etc. Knowledge of all these, as well as of the character and density of traffic and of the general conditions attendant upon the obtaining and conduct of such traffic, is essential to the complete understanding of the merits of railroad securities; yet invaluable information bearing upon their relative merits can be acquired by comparison of the income accounts of the different roads. While the peculiar and varying conditions

under which each individual road must of necessity be operated impair comparisons, yet analysis points to certain undisputed conclusions and gives an index to the truth.

There are many railroads of which it must be said that their "cost of road, structures and equipment," as exhibited in their financial statements, includes very large items, representing altogether fictitious values. In fairness it must be stated that owing to the large expenditures for improvements, additions, equipment, etc., which for a series of years have been deducted from their surplus income, the "cost of road, structures and equipment" of a large number of railroads is to-day understated in their balance sheets. Where fictitious values are given it will be found that these result from the charges, dating perhaps long ago, of excessive amounts for "discount on bonds," "reorganization expenses," and through the charges for construction of amounts which to-day would be considered fabulous. *Per contra*, taken in a strict sense, "bonds and stocks outstanding" represent in many instances little save an equity in earning power. So it becomes of prime importance to ascertain the "earning power" of each railroad in order that through the comparison of the "earning power" of each with that of the other, certain conclusions as to the respective merits of their bonds and stocks may be deduced.

INTRODUCTORY COMMENT

It is necessary to point out that the legislation enacted by Congress in June, 1906, has given absolute power to the Interstate Commerce Commission in its discretion to "prescribe the forms of any and all accounts, records, and memoranda to be kept by carriers subject to the provision of this Act, including the accounts, records, and memoranda of the movement of traffic as well as the receipts and expenditures of moneys. The Commission shall at all times have access to all accounts, records, and memoranda kept by carriers subject to this Act, and it shall be unlawful for such carriers to keep any other accounts, records or memoranda than those prescribed or approved by the Commission."

The provisions of this Act in so far as they relate to accounting for receipts and disbursements went into effect July 1st, 1907. The reports issued by the railroads concerning operations prior to July 1st, 1907, were made up on the old basis, and the statements and statistics given in this book so far as they relate to operations prior to July 1st, 1907, are made up on the old basis.

On July 1, 1914, a complete revision of the accounting system of railroads was ordered by the Commission. The readjustment of the various accounts makes comparison with former years extremely difficult.

The text of the Chapters immediately following is virtually the same as in the previous editions of this book. The changes in accounting when their operations are perfected will cause several changes to be made in the sug-

gestions and remarks embodied in the various Chapters; yet, as a whole, the integrity of the discussion on the analysis of railroad reports will remain virtually without change.

Briefly, the instructions issued by the Commission under the provisions of the Act above referred to, stipulate that, beginning July 1st, 1907, charges for construction, additions, betterments, equipment and all such charges of an extraordinary nature and not strictly operating expenses shall not be charged to Maintenance Expenses or otherwise included in Operating Expenses so as to constitute a deduction from Net Earnings. Expenditures of this nature may at the discretion of the railroad be either capitalized or deducted from the year's surplus as ascertained after all fixed charges and dividends have been deducted. For example, beginning July 1st, 1907, no charges are allowed to be made to Maintenance of Way for improvements or betterments to track or structures where such improvements or betterments exceed in each case \$200; so in the case of Maintenance of Equipment, the cost of new equipment, except where purchased for replacement, is not allowed to be charged (as in the past it has frequently been charged) to that account. It was the purpose of the Commission to establish definite rules and regulations which should govern "Renewals" and the "Depreciation" accounts, the purpose of these accounts being that "all the cost of maintenance and not more than the cost of maintenance shall be charged to the maintenance accounts of Operating Expenses." The importance to the investor of the new accounting rules established by the Interstate Commerce Commission cannot be overestimated. To quote from a communication by the Interstate Com-

merce Commission, "there will arise a general confidence in railway securities which will give them a sure and stable value, provided the enterprise which they represent is a sound commercial enterprise."

The new system when fully established not only will result in close uniformity in the reports of all the railroads, but also will tend to prevent deception in either undercharging or overcharging Maintenance Expenses on account of repairs and renewals.

For the fiscal years ending June 30, 1908, to June 30, 1916, the accountants of the different railroads were privileged to base their charges on account of depreciation of equipment upon what they deemed a fair basis, stating in their reports to the Interstate Commerce Commission the exact basis upon which this depreciation was computed. Hereafter, as will be discussed in the Chapter "Maintenance of Equipment," each railroad in its report to the Commission must justify its charges account of depreciation of equipment. It is understood that the Interstate Commerce Commission will in due course issue definite instructions in regard to this depreciation charge on equipment which will thereafter apply to all the railroads. To the extent that to-day the depreciation charge varies on the different railroads, the present accounting scheme lacks uniformity.

The Commission on July 1, 1914, issued a re-classification of Operating Expenses, which will be referred to hereafter. This new classification of expenses provides for the creation of depreciation reserves for railroad property other than equipment by means of charges to operating expenses. The use of these depreciation accounts is for the present optional with the carrier. Only a few

railroads made any charges to this account during 1914-15 and 1915-16, and it will likely be some years before a basis of comparison may be determined.

In the statements of Income Account in this book taxes are included in Fixed Charges as explained in Chapter XI. Reference is here made to this fact for the reason that according to the rules of the Interstate Commerce Commission, since July 1, 1907, taxes have been deducted from Net Operating Revenues and are not considered as a part of the Fixed Charges.

THE EARNING POWER OF RAILROADS.

CHAPTER I

INCOME ACCOUNT

(Note: Attention is particularly invited to the introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting which went into effect July 1, 1907.)

The income account, or statement of the earnings and expenses for the fiscal period, is now given in railroad reports as follows:

Operating Revenues	\$10,000,000
Operating Expenses	6,000,000
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Net Operating Revenues	\$4,000,000
Taxes	375,000
<hr/>	
Operating Income	\$3,625,000
Other Income or Gross Corporate Income....	200,000
<hr/>	
Total Income	\$3,825,000
<hr/>	
Deductions from Income or Fixed Charges:	
Interest	\$1,500,000
Rentals	75,000
Sinking Funds, Exchange, etc.....	25,000
Hire of Equipment.....	25,000
<hr/>	
Total Fixed Charges	\$1,625,000
<hr/>	
Net Income	\$2,200,000
Dividends	1,000,000
Additions and Betterments.....	700,000
Surplus	500,000

For the sake of uniformity the general accounts as given in the statements of Income Accounts in this book are arranged in order and styled as explained below.

ACCOUNTS PRESCRIBED BY INTER-
STATE COMMERCE COMMISSION.

TERMS USED IN THIS BOOK.

Operating Revenues,	<i>Operating Revenues,</i>
Operating Expenses,	<i>Operating Expenses,</i>
Net Operating Revenues,	<i>Net Operating Revenues,</i>
Taxes,	<i>Taxes are included in Fixed Charges and the amount thereof specified,</i>
Operating Income,	<i>Not used (see under Taxes),</i>
Non-Operating Income,	<i>Other Income,</i>
Gross Corporate Income, (or Gross Income),	<i>Total Net Income,</i>
Deductions from Gross Income, or Fixed Charges,	<i>Fixed Charges,</i>
(Under this heading are included "Hire of Freight Cars"—Dr., and "Rent of Equipment.")	<i>(Under this heading are included "Hire of Freight Cars"—Dr., and "Rent of Equipment" and "Taxes," the amounts being specified.)</i>
Net Income.	<i>Surplus.</i>

To any one at all familiar with railroad reports each of the above items is self-explanatory. In ascertaining the earning power or the ability of a road to pay interest and dividends, the most important item of the income account to be considered is the Operating Expenses.

CHAPTER II

OPERATING EXPENSES

(Note : Attention is particularly invited to the Introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting which went into effect July 1st, 1907.)

The operating expenses of almost all the railroads in the United States are classified according to rules prescribed by the Interstate Commerce Commission. The primary accounts are all embodied under seven general accounts, as follows :

1. *Maintenance of Way and Structures.
2. Maintenance of Equipment.
3. Traffic Expenses.
4. Transportation Expenses.
5. Miscellaneous Operations.
6. General Expenses.
7. Transportation for Investment—Cr.

**Styled Maintenance of Way in this book.*

In the Table Pages of this book accounts (5) Miscellaneous Operations and (6) General Expenses are consolidated, while account (7) Transportation for Investment—Cr. is deducted from Transportation Expenses

1. Under Maintenance of Way and Structures fall expenses for the repairs and renewals of machinery and tools, for repairs of roadway, track, tunnels and subways, for ballasting, for repairs and renewals of switches, frogs, ties, fences, bridges, culverts, stations, shops, buildings. etc.. likewise according to a ruling of the Interstate Commerce Commission depreciation of track, roadway, etc. (optional).

2. Under Maintenance of Equipment fall expenses for the repairs and renewals, as well as depreciation of locomotives, passenger cars, freight and other cars and of steamboats and for the maintenance of shop machinery, etc.

3. Under Traffic Expenses fall wages of officers directly in charge of traffic, freight, passenger, baggage and other agents, expenses of outside agencies, advertising, fast freight lines, industrial and immigration bureaus, etc.

4. Under Transportation Expenses* fall wages of station employees, clerks, yardmen, flagmen, watchmen, enginemen and trainmen, cost of dispatching trains, expenses for telegraph and station service, cost of fuel and supplies for locomotives, expenses for water supply, loss and damage, operating joint yards and terminals (net), etc.

5. Under Miscellaneous Operations fall expenses of dining and buffet service, hotels and restaurants, grain elevators, stockyards, producing power sold, etc.

6. Under General Expenses fall salaries of general officers and office clerks, expenses for legal service, insurance, etc.

7. By means of this account "Transportation for Investment—Cr." operating expenses are credited with the cost of transportation on revenue trains of men engaged in and material for construction, which expense is concurrently charged to various property accounts.

It appears at once from the nature of the expenses which fall under these headings that the amount of the expenditures under one (1) and two (2) is, to a considerable de-

(Note: *Where railways operate water lines their expenses include the account "Transportation-Water Lines" (in this book included in "Transportation Expenses.")

gree, subject to the control of, and other things being equal, reflects the conservatism or lack of conservatism in the road's management. On the other hand, under three (3), four (4), five (5), and six (6), fall expenditures which are wholly obligatory in that while they fluctuate each year with the volume of business, train mileage, etc., they are outlays which are for the most part incident to the present conduct of the road's traffic.

These subdivisions of the operating expenses may then be divided into two classes:

A. Maintenance Expenses.

B. Traffic, Transportation, Miscellaneous Operations, General Expenses and Transportation for Investment—Cr.

The classification of Operating Expenses, as above, is in accordance with a ruling of the Interstate Commerce Commission issued July 1, 1914. For the seven years prior to July 1, 1914, Operating Expenses were sub-divided into five accounts, viz: (1) Maintenance of Way and Structures; (2) Maintenance of Equipment; (3) Traffic Expenses; (4) Transportation Expenses; (5) General Expenses. For a number of years prior to July 1, 1907, there were but four subdivisions of Operating Expenses in general use; viz:—one and two, as above, Conducting Transportation and General Expenses.

CHAPTER III

A

MAINTENANCE EXPENSES

(Note: Attention is particularly invited to the Introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting which went into effect July 1st, 1907 (with subsequent amendments). The uncertainty which exists as to the exact effect which this system, when in full operation, will have on the statements of the railroads renders it undesirable that any important changes be made in the text of the following chapter which is taken practically without change from previous editions of the book.)

There are many railroads in the United States whose maintenance outlays have been, and are, clearly inadequate. Many more railroads are found, however, whose maintenance outlays have been heavily surcharged each year. Too often investors are deceived by the general statement in the annual report that "the management is gratified to be able to say to the shareholders that the close of the fiscal year finds the property of the company in as good condition as it was last year." This is not sufficient. Keen competition and the teaching of the numerous reorganizations have forced upon the managers the necessity of charging to income items which were formerly charged, and from an accounting standpoint, often might properly be charged, to capital account. So the management should be able to say, in lieu of the above, that the improvement work has so progressed during the fiscal period as to keep the property substantially abreast of its competitors. There are few railroads in the United States whose financial policy has been of a constructive order, which cannot, with earnings as they have averaged in the past several years, fully maintain their property and pay their fixed charges. There are many which as the event has proved could not do this and, in addition, pay dividends.

Analysis of the yearly expenses for Maintenance of Way and for Maintenance of Equipment will show distinctly whether or not a road is becoming more liberal in that regard.

Comparison of the maintenance expenses of different roads operating under like conditions will tend to establish the relative policy pursued by each.

CHAPTER IV

MAINTENANCE OF WAY

(Note: Attention is particularly invited to the Introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting which went into effect July 1st, 1907 (with subsequent amendments). The uncertainty which exists as to the exact effect which this system, when in full operation, will have on the statements of the railroads renders it undesirable that any important changes be made in the text of the following chapter which is taken practically without change from previous editions of this book.)

Taking two roads in good condition, traversing the same territory and meeting with like conditions of traffic, etc., a cursory study as to their maintenance will establish which of the two is following the more conservative policy. The best standard to be followed by the average student of railroad reports is to reduce the Maintenance of Way Expenses to a "per mile" basis. Take the total expenses under this head and divide them by the average number of miles operated for the period under review. A certain amount must be appropriated each year for the maintenance of the roadway and structures, whether the business of the road be large or small. While these expenses must of necessity vary somewhat with the density of traffic, yet it by no means follows that a road with a density of 1,000,000 ton miles per mile of road should spend for Maintenance of Way ten times as much as another road which has a density of but 100,000 ton miles per miles of road. So it cannot be said that a road the Operating Revenues of which are \$10,000 per mile should spend ten times as much for Maintenance of Way as the road which earns but \$1,000 per mile. It follows that one road may appropriate 25 per cent. of its gross for a given period for Maintenance of Way and yet not spend so much relatively as the road which so appropriates but 10 per cent. of its gross.

Neither the density of the traffic nor the extent of Operating Revenues determines the fair requirement for Maintenance of Way. Conditions peculiar to each road will mar the comparison between the amounts per mile expended by different roads. One road has a regular profile, as the Northern Pacific; another traverses a mountainous country, as the Atchison; another obtains its ballast from its own gravel pits, conveniently located; another its ties with advantage; yet another has many and expensive bridges and tunnels to maintain, etc., etc. One road may expend but \$800 per mile for Maintenance of Way and yet better maintain the standard of its property than another road which expends an average of \$1,000 per mile. Some roads have branch lines where it would be wasteful under existing conditions of traffic to expend more than \$500 or so per mile. The small expenditures on these branch lines would reduce considerably the average outlay for the system, yet it would not follow that this relatively small average outlay was working to the disadvantage of this system with reference to competitive business.

Obviously the road with a considerable mileage of second and third tracks should require a larger expenditure "per mile of road" for Maintenance of Way than the road with few or no additional main tracks. Where the roads to be compared have double tracks, comparison should be made of the Maintenance of Way "per mile of single main track," although it should be borne in mind that it costs more, under like conditions to maintain two miles of single track than one mile of double track. Another modification arises from the fact that the nature and extent of the business of certain roads necessitate the maintenance of a relatively large percentage of side and passing tracks.

During recent years Maintenance of Way Expenses have shown a natural tendency to increase. Railroads, which in the past have used 75 to 80 pound rail in main track have made their renewals largely with the more costly 90 and 100 pound rail; likewise 50 to 60 pound rail has been replaced with 70 to 80 pound rail. The heavier rail has been found necessary owing to the increasing use of steel equipment and larger locomotives. The use of this heavy equipment has compelled the railroads to replace and strengthen bridges, culverts and embankments, and to spend large sums for ballasting, etc. Likewise ties, rail joints and other materials, have considerably advanced in cost.

It is, therefore, safe to say that when a railroad's Maintenance of Way Expenses average below \$800 to \$1,000 per mile of road these expenses should receive careful scrutiny by the intending investor.

As stated in a previous chapter Maintenance of Way expenses will hereafter include accounts for Depreciation. The ruling of the Commission dated July 1, 1914, follows:

"DEPRECIATION OF FIXED IMPROVEMENTS.—Depreciation accounts, in which to include uniform monthly charges to cover the depreciation of fixed improvements, have been provided for the purpose of creating reserves which will meet or reduce the amounts otherwise chargeable, as may be appropriate, to operating expense or to profit and loss accounts to cover property retired. Such depreciation charges shall be based in each instance upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of the property determined to be equitable by the carrier's experience and best sources of information as to the actual current loss from deprecia-

tion. A statement of the bases used by the carrier for computing these charges shall be included in its annual report to the Commission. Until further directed the use of depreciation accounts for fixed improvements is optional with the carrier."

CHAPTER V

MAINTENANCE OF EQUIPMENT

(Note: Attention is particularly invited to the Introductory Comment (page 11) where reference is made to the amendments enacted in June, 1906, of the Act to Regulate Commerce so far as these relate to the methods of accounting which went into effect July 1st, 1907 (with subsequent amendments). The uncertainty which exists as to the exact effect which this system, when in full operation, will have on the statements of the railroads renders it undesirable that any important changes be made in the text of the following chapter which is taken practically without change from previous editions of this book.)

Comparison of the Maintenance of Equipment Expenses "per mile of road" avails little. The best basis for testing the sufficiency of these is to ascertain the average amount expended on equipment per unit of service rendered by the equipment; that is, the average outlay per locomotive per mile run, per freight car per mile run and per passenger car per mile run. Maintenance of Equipment depends not alone upon the amount of equipment to be maintained, but also upon the service rendered by the equipment. It stands to reason that the Erie Railroad, for example, with a freight density, as of 1915-16, of 3,793,698 ton miles and a passenger density of 261,698 passenger miles per mile of road, must expend more "per mile of road" for Maintenance of Equipment than the Atchison, with a freight density, as of last year, of 875,353 ton miles, and a passenger density of 140,879 passenger miles per mile of road. The relatively larger volume of business done or work performed by the Erie requires a relatively larger amount of Equipment and a greater service to be rendered by its equipment. It will be found that Maintenance of Equipment Expenses have usually a direct relation to the road's freight and passenger density, this relation being affected to a considerable degree by train and car loading and other essential factors.

An example will tend to establish that equipment maintenance has necessarily no relation to gross earnings. Suppose the tonnage of one road consists altogether of low class freight, as coal or iron ores, and the tonnage of another road wholly of high class freight. Each road earns \$20,000 per mile. The density of the first road's traffic and, as a consequence, the service rendered by its equipment, must be far greater than that of the second road. The business of the one road might be successfully conducted with one-third of the equipment and power required by the other: *Ergo*, an outlay of \$2,000 per mile for equipment maintenance on the road with the low class tonnage might be no greater relatively than an outlay of \$1,000 per mile on the other road.

It may be said that under present conditions an average of \$2,500 to \$3,000 per annum per locomotive, \$75 to \$85 per annum per freight car and \$750 to \$850 per annum per passenger car approximate normal maintenance requirements. All this depends much upon the character of equipment required in the service. It usually costs less, for example, to purchase and maintain coal cars and flat cars than box cars and refrigerator cars. No argument is necessary to show that it must cost more per unit to maintain a small equipment than a larger one.

Among other important considerations which bear upon the cost of maintaining a road's locomotives and cars may be mentioned the location and equipment of its shops.

There are many roads where, although maintenance both for roadway and equipment is clearly surcharged, the extent of the excess of maintenance over normal requirements cannot be taken as present earning power. Take again, for example, the Erie or Atchison as distinct from

the Baltimore & Ohio, or the Pennsylvania Railroad. While the Baltimore & Ohio and the Pennsylvania do not usually report a surplus much in excess of dividend requirements, yet these companies should be able to pay steadily reasonable dividends, for the reason that when there comes a bad year, there is, and for years has been, abundant opportunity for curtailment of maintenance expenses. After reorganization, the properties of the Erie and Atchison were turned over to the new managers in a deplorable physical condition. Here the needs were so unusual as to make imperative extraordinary charges to operating expenses for maintenance. The excess of these expenses over normal requirements could be considered only as offering opportunity for future retrenchment. It could in no way be taken as an immediate margin of safety.

Following the rulings of the Interstate Commerce Commission, a majority of the railroad companies charged to Maintenance of Equipment during the last fiscal year, amounts for depreciation varying from six per cent. to one per cent. and less.

From even a casual examination of the railroad reports for the past fiscal year, it is apparent that until the Commission shall specify the exact rate to be charged on account of depreciation of equipment, the desired result for which the law was enacted will not be attained.

Hereafter each railway in its report to the Commission must explain the basis used in charging depreciation as per the following rule of the Commission:

"EQUIPMENT DEPRECIATION.

"The various depreciation accounts shall include uniform monthly charges representing the depreciation of equip-

ment. These charges shall be based upon the percentage of the original cost (estimated if not known), ledger value, or purchase price of such equipment determined to be equitable from the carrier's experience and best sources of information as to the average current loss from depreciation. A statement of the percentages used by the carrier for computing these charges, together with the estimated life of the equipment upon which such percentages are based, shall be included in its annual report to the Commission.

"Depreciation charges with respect to any equipment shall cease when the difference between the ledger value and the estimated scrap value shall have been credited to the accrued depreciation account."

The following table indicates the rates recently reported in use by a number of important railways in computing depreciation of equipment:—

	Loco- motives %	Passenger Train Cars %	Freight Train Cars %	Work Equip- ment %
Atlantic Coast Line R. R.....	3	2*	3	2
Baltimore & Ohio R. R.....	4	3	3 to 5	6
Boston & Maine R. R.....	3	2	2	2
C. R. R. of N. J.....	4	3	4	4
Chesapeake & Ohio Ry.....	1½	1½	1½	1½
Chi., M. & St. Paul Ry.....	1	1	1	1
C., C. C. & St. L. Ry.....	2	2	2	2
Dela., Lack'a & W. R. R....	5†	2½†	6‡	6‡
Erie R. R.....	3	3	4	4
Gt. Northern Ry.....	5‡	4	‡	‡
Illinois Central R. R.....	3	3	4	5
Lehigh Valley R. R.....	2¾	1¾	1¾ to 2¼	—
Maine Central R. R.....	3	2	2	2
N. Y. Central & H. R. R. R....	2	2	2	2
Norfolk & Western Ry.....	3	3	3	3
Seaboard Air Line Ry.....	2	2	2	2
Southern Ry.	2	2	2½ to ¾	2¾

*Dining cars 5%. †Less estimated salvage value. ‡On steam locomotives rates vary from 3.33% to 7.14% and on electric locomotives rate is 10%; on freight and work cars rates vary from 3.33% to 6.67% (box cars 4%, stock, coal, gondolas, oil tank, etc., 5%).

As an example of the method used by the railroads in charging and crediting Depreciation Reserve the following table is of interest:—

RESERVE FOR DEPRECIATION OF EQUIPMENT.

PENNSYLVANIA R. R.

1915

Credit Balance January 1, 1915	\$17,461,707
Credits during year 1915—	
From Charges to Operating Expenses:	
Depreciation	\$6,177,124
Renewals	383,636
From Salvage, etc.	1,186,526
Amount; charged to other companies for depreciation on P. R.	
R.'s equipment used by them	1,705,473
	<hr/>
	\$9,452,760
Total Credits	<hr/>
	\$26,914,467
Less—	
Equipment Retired:	
Locomotives	\$2,364,766
Passenger Cars	1,517,653
Freight Cars	2,775,645
Work Equipment	110,743
Floating Equipment	108,756
	<hr/>
	6,877,563
Credit Balance December 31, 1915	\$20,036,904
To maintain the standard and value of the equipment there has been expended out of the above for new equipment	\$13,978,155
	<hr/>
And for the balance unexpended, new equipment has been ordered under contract	\$6,058,749

The following table indicates the approximate amounts expended during 1914-15 by various railroads for repairs and renewals also the amounts charged for depreciation of

equipment. The methods of calculation used by the companies enumerated below, differ radically. Practically no two roads mentioned below follow the same rule in computing depreciation of equipment and, likewise, the per unit of equipment expenses of certain roads, for example the Atchison, Topeka & Santa Fe Ry. includes certain amounts charged to superintendence, injuries to persons, shop machinery, maintaining joint equipment at terminals, etc. The table follows:

	Per Loco- motive	Per Passenger Car	Per Freight Car
Atch., Topeka & Santa Fe Ry....	\$4,600	\$1,204	\$129
El Paso Southwestern Ry.....	2,927	1,083	105
St. Louis Southwestern Ry.....	*2,295	*642	101
Union Pacific R. R.....	3,591	1,021	96
Seaboard Air Line Ry.....	2,096	734	54
Atlantic Coast Line R. R.....	*2,213	*850	*88
Minneapolis & St. Louis Ry.....	*2,775	*607	*80
†Pitts. & L. E. R. R.....	*2,404	*1,500	*100
‡New Orleans, Mob. & Chi. R. R...	*1,952	*692	*64

*Approximate. †Year 1914. ‡Year 1913-14.

For roads of Class 1 (having annual operating revenues above \$1,000,000) for the fiscal year 1914, the average cost of repairs per unit of equipment was as follows:*

	Locomotives	Freight cars	Passenger cars
United States	\$2,812	\$80.47	\$634.45
Eastern District	2,812	81.74	600.19
Southern District	2,759	88.80	757.54
Western District	2,836	74.52	637.41

The average cost of repairs, renewals, and depreciation per unit of equipment was as follows:

	Locomotives	Freight cars	Passenger cars
United States	\$3,214	\$105.06	\$779.37
Eastern District	3,252	107.53	793.28
Southern District	3,142	115.38	904.02
Western District	3,198	96.43	789.60

*Statistics furnished by Bureau of Railway Economics, Washington, D. C.

CHAPTER VI

B

TRAFFIC AND TRANSPORTATION EXPENSES, MISCELLANEOUS
OPERATIONS, ETC.

As previously suggested, under these subdivisions of the operating expenses fall those expenses which, as distinct from Maintenance of Way and Maintenance of Equipment, must be taken as in large part being in the nature of a fixed or obligatory charge. They relate and are incident to the immediate conduct of the road's business, and like those commonly called "fixed charges"—interest, taxes and rentals—their payment cannot long be delayed. If a road is hard pressed, means may be found whereby the payment of a portion of these expenses can be postponed but only for a short time. In the discussion as to maintenance expenses it was made clear that those expenses are, under necessity or in the discretion of the management, capable of curtailment. It will be found that the amount per mile of the Transportation Expenses has a general relation to the traffic density. This results from the fact that these expenses depend largely upon the train mileage; engine mileage also is an important factor. As density increases, other things, as trainload and carload, being equal, the train mileage increases.

To the average investor the essential thing to consider is the percentage of Operating Revenues required for these groups of Operating Expenses. Where this and the percentage of Gross required for Fixed Charges is given, it is seen what remains for maintenance and dividends. The questions of train and engine mileage, train and car

loading, ton and train mile cost and earnings, etc., are of extreme interest and should be carefully dealt with. These will be passed over here in favor of the more vital considerations which reflect all these—the bearing of operating expenses (other than maintenance) upon gross earnings. It is believed that it is not far from the truth to say that for all the railroads in the United States these expenses did not require for the year 1915-16 more than 40 per cent. of the total gross earnings.

Traffic, miscellaneous Operations and General Expenses have no such relation to traffic density as have the Transportation Expenses. They tend to constancy and vary but little with the amount of business done. These expenses are often relatively greater on a small than on a large road. As Traffic, Miscellaneous Operations and General Expenses make up but a small part of the operating expenses, and as they partake of the nature of Transportation Expenses, as distinct from Maintenance Expenses, it is right here to class them with the Transportation Expenses.

Where, in the comparison of two roads with like character of business, it is found that these expenses of one require a relatively larger percentage of gross than in the case of the other, it means one or both of two things: either that with relatively like rates for the work performed the one road is not conducting its business with the same degree of economy as the other, or that, with like relative economy in the conduct of its business, the rates received by it for work performed are relatively smaller. In the use here of the word "economy," it is understood that the measure of economy is net results. To show the significance of this percentage to the investor, consult for example, the records of the Chicago Great

Western and the Atchison, Topeka and Santa Fe. The character of the tonnage of these two roads is very similar. For the year ending June 30, 1916, Operating Expenses other than Maintenance consumed 41.4 per cent. of the Great Western's gross income against 32.0 per cent. for the Atchison. These expenses have required a very large percentage of the Great Western's gross income each year for the last ten years, and their ratio to gross income has shown little tendency to become less. When it is remembered that these expenses partake of the nature of a fixed charge upon gross, the full significance is apparent. Let it be assumed that the annual interest, taxes and rentals had required in 1915-16, 20 per cent. of the gross for both the Great Western and the Atchison. Of the Great Western's gross, then 61.4 per cent. would have been consumed by these "fixed" charges, leaving 38.6 per cent. for maintenance and dividends. Of the Atchison's gross, but 52.0 per cent. would have been consumed by "fixed" charges and 48.0 per cent. would have been left for maintenance and dividends. It is clear that the margin of safety for dividends would have been far greater for the Atchison than for the Great Western. The actual margin of safety for the Atchison was greater than has been here indicated, because interest, taxes and rentals required about 14.9 per cent. of last year's gross income against 18.2 per cent. for the Great Western.

While the larger percentage of gross required for these groups of Operating Expenses in the case of one road reflects what has been called "relatively less economy" in operation, yet this by no means implies a relative lack of efficiency in the management. A railroad might be operated with the highest degree of efficiency, yet the aver-

age rates received, and consequently the gross earnings, might be so small as to make these expenses bear a very high ratio to the gross.

When rates, trainloads, etc., tend to constancy, the ratio of Transportation Expenses varies inversely with Operating Revenues.

It is shown in what follows that the margin for maintenance and dividends may be greater on the road with large Operating Revenues per mile, where the Operating Expenses other than Maintenance require, say 42 per cent. of the gross, than on the road with small Operating Revenues per mile, where those expenses require but 35 per cent. of the gross. For the first road 20 per cent. of the gross might be ample for maintenance, while 35 per cent. of its gross might be an insufficient allowance for the second road. The fact remains after all, that, other things being equal, where these expenses are relatively larger, the margin of safety is relatively less.

CHAPTER VII

THE OPERATING RATIO

What has gone before leads naturally to the discussion of the Operating Ratio in its bearing upon this question of earning power. It is with great difficulty that many investors are dissuaded from the belief that the Operating Ratio counts for all. Where a road is reported as operating at 50 per cent. it is not uncommon to hear it said that "it cannot be done." Another road reports operating at 75 per cent., and it is said that because of this high Operating Ratio there is manifestly "abundant opportunity for curtailment in expenses." It may be stated at once that the Operating Ratio, or the ratio which operating expenses bear to gross earnings, has of itself no significance whatsoever. A few examples will tend to establish this fact.

The gross earnings (operating revenues) and operating expenses of roads "A," "B," "C," "D," and "E," may be taken as given in the table on page 37. For the sake of argument, it is assumed that it requires for normal maintenance of road and equipment no more "per mile of road" for one of these roads than for another.

Average mileage owned and oper- ated.....	A 1,000		B 1,000		C 2,000		D 5,000		E 1,000	
	TOTAL	PER MILE	TOTAL	PER MILE	TOTAL	PER MILE	TOTAL	PER MILE	TOTAL	PER MILE
Operating Revenues	\$10,000,000	\$10,000	\$10,000,000	\$10,000	\$10,000,000	\$5,000	\$10,000,000	\$2,000	\$30,000,000	\$30,000
Maintenance of Way.....	1,250,000	1,250	750,000	750	1,000,000	500	1,500,000	300	3,000,000	3,000
Maintenance of Equipment.....	1,250,000	1,250	750,000	750	1,000,000	500	1,500,000	300	3,000,000	3,000
Ratio of "Main- tenance" to Gross.....	25%		15%		20%		30%		20%	
Traffic and Other Operating Ex- penses.....	3,000,000	3,000	4,500,000	4,500	4,500,000	2,250	4,500,000	900	9,000,000	9,000
Ratio of "Traffic and Other Operating Expenses" to Gross.....	30%		45%		45%		45%		30%	
Total Operating Expenses.....	5,500,000	5,500	6,000,000	6,000	6,500,000	3,250	7,500,000	1,500	15,000,000	15,000
Ratio "Operating Expenses" to Gross.....	55%		60%		65%		75%		50%	
NET EARNINGS.	4,500,000	4,500	4,000,000	4,000	3,500,000	1,750	2,500,000	500	15,000,000	15,000

It is clear that road "A," operating at 55 per cent., makes more liberal outlay for maintenance than roads "B," "C," and "D," which operate at 60 per cent., 65 per cent., and 75 per cent., respectively. Consequently road "A" has greater room for curtailment in its maintenance. Road "A" includes in its operating expenses sums in excess of normal requirements for maintenance, road "B" spends enough for maintenance, while the expenses of "C" and "D" fall considerably below the average requirements. The \$1,500,000 or 15 per cent. of its gross, expended by road "D" for Maintenance of Way on its 5,000-mile road is by far a relatively smaller outlay than that of road "A," where \$1,250,000, or but 12½ per cent. of its gross is so expended on 1,000 miles of road. Now, take road "E." It is seen that while Traffic and other Operating Expenses require the same percentage of Operating Revenues, "E," operating at 50 per cent., spends for maintenance 140 per cent. more than "A," which is operated at 55 per cent. The table explains itself. It is unnecessary to give more examples (many more might be given) to show that the Operating Ratio of itself is of no significance. Wherever it may have significance it will be found to be wholly the result of accident.

Were it not for the diverse conditions which affect peculiarly the question of maintenance in each individual road, it might be possible to arrive at certain definite rules as to the percentage of gross required for maintenance in different classes of railroads. One rule would suggest itself: that for average maintenance requirements for Southern and Western roads the Operating Revenues of which amount to, say, \$8,000 per mile, an annual appropriation of from 25 per cent. to 28 per cent. of the gross,

would, under present conditions, be ample. Another rule might be found to apply to such roads as the Central of New Jersey, the Delaware, Lackawanna and Western, etc., to the effect that, where gross earnings exceed \$30,000 per mile, an appropriation of from 17 per cent. to 20 per cent. of gross would be more than sufficient for average maintenance requirements. The mere statement of any "rule" must of necessity be clothed with so many exceptions and modifications as to make one lose sight of the rule itself.

CHAPTER VIII

FIXED CHARGES

Under Fixed Charges fall interest on the funded and floating debt, rentals of leased lines, embracing guaranteed dividends, etc., taxes and, in some cases, sinking-fund payments. (The Interstate Commerce Commission has directed that, beginning July 1, 1907, taxes are to be deducted from operating income and not included either in Fixed Charges or in Operating Expenses. In this book taxes are included in Fixed Charges.) The investor should examine the annual report carefully to ascertain whether or not the full interest on all the bonds outstanding at the close of the fiscal period has been charged in the Income Account for the period under review. Another important suggestion which may be made here is that the investor look to ascertain what opportunity there may be attaching to this or that road for future saving in interest charges through refunding. The Chicago, Burlington and Quincy, the Chicago and Northwestern and the Chicago, Milwaukee and St. Paul may likely, through the refunding in the next ten years of high rate interest bearing bonds, save a considerable amount in interest charges.

Very few roads are required to-day to set aside each year from earnings specific amounts for sinking fund purposes. The Chicago, Burlington and Quincy's annual appropriation for sinking funds are to-day relatively larger than that of any other railroad in this country, excepting where annual payments are made in the retirement of short time serial bonds. For the year ending June 30, 1916, the sinking fund payments of the Chicago, Burlington and Quincy, amounted to \$1,753,007. As such appropriations

are in their nature extraordinary, and are used for the retirement of obligations of the company, they must be given due weight in the comparison of the respective earning power of different roads.

As there is of itself little significance in the comparison of the average trainloads or average train miles, and as there is of itself no significance in the comparison of the Operating Ratio of different roads, so, from the investor's standpoint, there is necessarily no significance to be attached to the fact that one road has a bonded debt of \$30,000 per mile, while the bonds outstanding on another road amount to but \$15,000 per mile. Likewise, the fact alone that the fixed charges of one road amount to \$2,000 per mile of road against \$1,000 per mile on another shows by no means that the bonds of the latter are more secure. (Compare Richmond, Fredericksburg and Potomac, page 141, and the Midland Valley Ry., page 171.) The essential consideration here, as in the case of those quasi-fixed charges, the Operating Expenses other than Maintenance, is the ratio which these charges bear to Operating Revenues and the ability of the road to pay these charges. It stands to reason that the New York Central with \$29,900 per mile gross earnings, could more easily provide for the interest on bonds aggregating \$60,000 per mile than could the "Atchison," with \$11,900 per mile gross, provide for interest on a bonded debt of \$30,000 per mile.

It demands no proof to show that fixed charges of \$600 per mile on one road might be a heavier burden on earnings than fixed charges of \$1,000 per mile on another, although in each case the percentage of gross required for these charges is but 20 per cent. Take as Operating Revenues for the first road \$3,000 per mile, and for the second

\$5,000 per mile. Let Operating Expenses other than Maintenance require 35 per cent. of the gross for each road. Here is 55 per cent. of gross consumed by "fixed" charges in each case. The one road has 45 per cent. of \$3,000 per mile, or \$1,350 per mile for maintenance and surplus; the other has 45 per cent. of \$5,000 per mile, or \$2,250 per mile remaining for maintenance and surplus.

As a rule, where, on a basis of earnings such as these have averaged in recent years, the fixed charges of any given road have required less than, say, 22 per cent. of gross income, and where the surplus after the payment of all operating expenses (including liberal outlays for maintenance), have amounted to not less than, say, 17 per cent., of the gross income, the interest on the road's bonds may be considered very secure. It should be noted that this is not the same situation as would be presented were it stated for example, that the interest is secure where the fixed charges require say 50 per cent., or less of the net income, for the reason that operating expenses (including proper outlay for maintenance) might in one case require 90 per cent. of the gross income against 60 per cent. in another case. The fixed charges in the first case might require but 50 per cent. of the net, or 5 per cent. of the gross income; in the second case they might require, likewise, 50 per cent. of the net, or 20 per cent. of the gross income. Should the gross income show a proportional decrease of, say 15 per cent. for each road, other things being equal, one road would show a deficit after fixed charges, while the other road would show a surplus. (Compare Missouri, Kansas & Texas Ry., page 172, and Lehigh Valley R. R., page 77.)

The percentage of fixed charges varies in an inverse ratio with gross earnings.

Observe the following tables wherein are given the income accounts of roads "A" and "B," the figures being stated both in full and reduced to a "per mile" basis.

TABLE I.

	A.		B.	
Miles Operated	1,000		1,000	
Operating Revenues	\$10,000,000	\$10,000	\$10,000,000	\$10,000
Operating Expenses	6,000,000	6,000	6,000,000	6,000
Net Operating Revenues....	4,000,000	4,000	4,000,000	4,000
Fixed Charges	2,000,000	2,000	3,000,000	3,000
<i>Ratio of Fixed Charges to</i>				
<i>Gross</i>	20%		30%	
Surplus	2,000,000	2,000	1,000,000	1,000

OPERATING EXPENSES.

Maintenance of Way.....	\$1,250,000	\$1,250	\$1,250,000	\$1,250
Maintenance of Equipment..	1,250,000	1,250	1,250,000	1,250
<i>Ratio of Maintenance to</i>				
<i>Gross</i>	20%		25%	
Traffic and Transportation..	3,000,000	3,000	3,000,000	3,000
Miscellaneous Operations and				
General Expenses	500,000	500	500,000	500
<i>Ratio of Traffic and Other</i>				
<i>Operating Expenses to</i>				
<i>Gross</i>	35%		35%	

In the above comparison of the income accounts of roads "A" and "B" the operating expenses are in every respect alike. The fixed charges of road "A" require 20 per cent. of the gross and of road "B" 30 per cent. of the gross. The surplus of "A" amounts to \$2,000,000 and that of "B" to \$1,000,000.

Assume that operating revenues decrease 25 per cent., and that roads "A" and "B" are operated as before at 60

per cent. The income accounts would appear somewhat as follows:

TABLE II.

	A.		B.	
Miles Operated	1,000		1,000	
Operating Revenues	\$7,500,000	\$7,500	\$7,500,000	\$7,500
Operating Expenses	4,500,000	4,500	4,500,000	4,500
Net Operating Revenues.....	3,000,000	3,000	3,000,000	3,000
Fixed Charges	2,000,000	2,000	3,000,000	3,000
<i>Ratio of Fixed Charges to Gross.</i>	26.6%		40%	
Surplus	1,000,000	1,000	0,000,000	0,000

OPERATING EXPENSES.

Maintenance of Way	\$950,000	\$950	\$950,000	\$950
Maintenance of Equipment.....	700,000	700	700,000	700
<i>Ratio of Maintenance to Gross..</i>	22%		22%	
Traffic and Transportation.....	2,350,000	2,350	2,350,000	2,350
Miscellaneous Operations and General Expenses	500,000	500	500,000	500
<i>Ratio of Traffic and Other Operating Expenses to Gross..</i>	38%		38%	

Here Maintenance Expenses are curtailed; Traffic and Transportation Expenses, while requiring a greater percentage of gross, are smaller, due to less business handled; and Miscellaneous Operations and General Expenses remain the same. The fixed charges remain the same and they require 26.6 per cent. of road "A's" gross and 40 per cent. of road "B's" gross. The percentage of gross required for "B's" fixed charges is 10 per cent. greater than in the example given first above, while the percentage required for "A's" fixed charges is about 6.6 per cent. greater than it was before the earnings decreased. Road "A" shows \$1,000,000 surplus, while "B's" surplus is entirely wiped out.

CHAPTER IX

STOCK OUTSTANDING IN ITS RELATION TO EARNING POWER

What has gone before shows that a railroad's earning power cannot be measured by the surplus alone. Analysis of the Maintenance Expenses indicates the integrity of the net earnings, and consequently the integrity of the surplus. Where maintenance is found to be insufficient, the investor knows that earnings must be drawn upon to a greater extent, and that if the gross is not large enough to allow of a greater appropriation, future increases in earnings must be used so far as they may be to bring the maintenance outlay up to fair requirements. Where maintenance is found to be ample or to exceed normal requirements, the investor knows that a future increase in earnings may rightly be reflected in a larger surplus.

A comparison of the results of Railroad number one and of railroad number two is instructive as illustrating this point. The maintenance expenses of the former road for years prior to say 1915-16 were far below normal requirements, while the St. Louis Southwestern for years charged its expenses very fairly. Owing to its large annual fixed charges Railroad number one found it impossible to appropriate a greater percentage of its gross for maintenance. For the year 1915-16 both of the lines showed large increases in earnings. The greater part of the increase of Railroad number one was diverted to the maintenance accounts, while the increase in the earnings of Railroad number two was for the most part represented in the net earnings. Many railroads can safely cause a reduction in their maintenance expenses and thus add largely to their

surplus; for example, the maintenance expenses, for 1915, of the Delaware, Lackawanna and Western, and for 1912, 1913 and 1915 of the Pittsburgh and Lake Erie were far above the necessary requirements.

It has been demonstrated also in the foregoing chapters that where the Operating Expenses other than Maintenances or where Fixed Charges are a relatively heavy burden on gross earnings, the margin of safety represented in the surplus is relatively small. For exactly those reasons that make greater or less the margin of safety represented in a road's surplus, it follows that the margin of safety for dividends for one road which earns 10 per cent. on its capital stock is necessarily by no means so great as that for another road which also earns 10 per cent. on its stock.

The capital stock of road "A," the Income Account of which was given on page 43 (Table I.), is, let us say, \$20,000,000 and that of "B," \$10,000,000. While each road earned 10 per cent. on its stock, yet it is shown in Table II., page 44, that with like decreases in gross earnings, "A" earned 5 per cent. on its stock and "B" earned nothing at all. So the amount earned on the stock of one road might equal 15 per cent., and yet the margin of safety might not be so great as in the case of another road where but 10 per cent. was earned.

An earning power of 10 per cent. on Mobile and Ohio stock, or on Missouri, Kansas and Texas preferred, means far less as to the margin of safety for dividends than does an earning power of 10 per cent. on Illinois Central stock, Chicago, Burlington and Quincy stock or Louisville and Nashville stock.

In any comparison of the earning power of two roads, it is important to note, in connection with other essential facts, what percentage of the operating revenues is required to pay one per cent. on the stock of each.

The capital stock of the New York, Ontario and Western, which operates about 568 miles of road, is about as large as that of the Chesapeake and Ohio, which operates 2,375 miles of road. The gross earnings of these roads were approximately, \$15,700 and \$16,600 per mile, respectively, for the year ending June 30, 1916. Inasmuch as the total gross earnings of the New York, Ontario and Western for that year was not over 16 per cent. on its capital stock, it must be a long time before the earning power of the road will warrant a high price for the stock.

That the rate of dividends paid on a road's stock does not determine the value of that stock is evidenced as well by the market value of such stocks as Central R. R. of New Jersey and "Lackawanna" as by the comparatively recent market value of such a stock as Seaboard Air Line preferred stock. The value of a stock is usually determined by the earning power or the ability of the road to pay dividends. This earning power is determined not only by the margin of safety represented in the surplus, but also by the stability or lack of stability of the operating revenues. The character of the tonnage and the natural resources and development of the territory traversed are to be considered in their bearing upon the stability of the road's traffic.

Certainly the earnings for any one year cannot be taken as demonstrating a road's ability to pay its interest or to pay dividends. The investor must consider the course of earnings for a series of years as well as the prospects for the future. He must recall, when comparing the earning ca-

capacity of Illinois Central with that of Chesapeake and Ohio, that while each of these roads may be earning 10 per cent. on its present outstanding capital stock, the capital stock of Illinois Central includes about \$50,000,000 stock sold during recent years at par, the proceeds from the sale of which were used for improvements. No part of the present outstanding stock of the Chesapeake and Ohio represents stock sold by the company for cash. Nearly two-thirds of the outstanding capital stock of the Pennsylvania Railroad has been sold for cash during the past fifteen years at considerably above its par value, and over two-thirds of the outstanding common stock of the Baltimore and Ohio has been sold at par. The Chicago, Milwaukee and St. Paul, Great Northern, Canadian Pacific, Chicago and Northwestern, Northern Pacific, Southern Pacific, and many other companies have secured large sums for improvements, etc., by the sale of capital stock.

Finally, it must be said (as has been suggested in what has gone before) that absolute knowledge concerning the value of railroad securities can be gained only by a careful and personal examination of the physical condition of each property, as well as of the traffic relations and advantages and the conditions attaching to the same. In this way knowledge can be gained as to the opportunities presented in each case, both for the better handling of business already secured and for the securing of new business.

CHAPTER X

GUARANTEES AND THEIR RELATION TO SURPLUS AVAILABLE
FOR DIVIDENDS

The many consolidations and leases made by railroads in the last few years emphasize yet another consideration, already referred to, which has an important bearing upon the margin of safety represented by the surplus earnings. On the following page are given the income accounts of six railroads (Roads "A," "B," "C," "D," "E," "F"). These income accounts are shown for three distinct periods representing three different conditions of affairs which will here be explained. Each of the roads has a capital stock of \$200,000, and each earned, as shown in the income account (Schedule I.), 10 per cent. on its capital. Road "A," being desirous of extending its sphere of influence or of protecting its existing traffic, arranges for the lease of the other five roads, the rental being in each case 9 per cent. on the capital stock.

The income accounts (Schedule II.) show the result of these leases to the parent road "A" in a prosperous year, when gross earnings were as large as are shown in the income accounts first given (Schedule I.) When road "A" was operated alone 10 per cent. was earned on its capital stock. Its equity in the surplus earnings of the leased lines in the year following the making of the leases was such as to show 5 per cent. additional earned on its original issue of \$200,000 of stock.

SCHEDULE I.

A	B	C	D	E	F
Operating Revenues..	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Charges.....	80,000	80,000	80,000	80,000	80,000
Surplus.....	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000

SCHEDULE II.

A	B	C	D	E	F
Operating Revenues..	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Charges.....	80,000	80,000	80,000	80,000	80,000*
Net.....	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Guarantees.....	00,000	18,000	18,000	18,000	18,000
Surplus.....	\$20,000	\$2,000	\$2,000	\$2,000	\$2,000

SCHEDULE III.

A	B	C	D	E	F
Operating Revenues..	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000
Charges.....	80,000	80,000	80,000	80,000	80,000
Net.....	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Guarantees.....	00,000	18,000	18,000	18,000	18,000
Surplus.....	\$15,000	Df.\$3,000	Df.\$3,000	Df.\$3,000	Df.\$3,000

Income accounts (Schedule III.) show operating revenues of roads reduced. The charges against revenues remain the same. Road "A" earned, of itself, \$15,000 or 7½ per cent. on its stock, but owing to the guarantee of dividends on the other five roads, the deficit of each of these roads amounted to \$3,000. Inasmuch as these losses fall upon road "A" and are suffered by that road's capital stock, it appears that as against 15 per cent. earned upon road "A's" stock in the previous year nothing is earned in the year of smaller earnings.

Had road "A" not assumed obligations to the stockholders of the other roads its surplus earnings in the prosperous year would have equalled but 10 per cent. on its stock against 15 per cent. On the other hand, in the year of smaller earnings the road would have earned 7½ per cent. on its stock instead of earning nothing at all.

There will be found in the perusal of the income accounts given in this book several examples showing results very similar to those illustrated above.

CHAPTER XI .

TABLES

Following there are given tables showing, so far as it is possible, for one hundred and fifty-eight railroads in the United States, Canada, Cuba, Central and South American countries.

1. The Average Mileage Operated, the Gross Earnings (Operating Revenues) and the Surplus for a series of years. Where the road has been reorganized, the figures given are, excepting where stated to the contrary, those of the reorganized property.

Wherever an appropriation of an extraordinary nature (for equipment, betterments or additions) has been deducted from the net revenues as reported by any road, such an appropriation is considered as having been deducted from the surplus earnings. All interest paid on Income Bonds and all dividends paid on stock are also considered as having been appropriated from the surplus earnings.

2. The total Capital Stock and Bonds outstanding and the Stock and Bonds "per mile of road operated."

The Capital Stock and Bonds are stated as they are given in the general balance sheets of the different companies. It must be stated that many railroads do not include in their balance sheets the bonds and stocks of auxiliary and leased companies on which interest and dividends are guaranteed. The Delaware, Lackawanna & Western R. R., for example, does not show in its balance sheet the bonds and guaranteed stock of the Morris & Essex R. R. Co. and other leased roads, while in the case of the St. Louis and San Francisco the general balance sheet shows among the liabilities, outstanding securities of auxiliary and leased companies. In the final analysis, however, so

far as the stockholder is concerned, the result as to margin for dividends is not changed by this different method of bookkeeping, for whether or not the balance sheet shows these obligations, the interest and guaranteed dividends must be paid each year before the stockholder may receive dividends. It is because of this lack of uniformity that the fixed charges cannot be reckoned even approximately from the statement of the company's bonds as shown in the balance sheet. The item of "rentals" in the "fixed charges" is often many times greater than the item "interest on company's bonds." Therefore in the statistical pages which follow, the amounts included in the fixed charges as "rentals paid" are stated immediately after the statement of capitalization.

Under Capital Stock are usually included Income Bonds. In the statements of capitalization there is given under Capital Stock the amount outstanding at the close of the last fiscal year for which an official report has been issued.

Under Bonds there is given, in each of the tables, the amounts of bonds outstanding at the close of the last fiscal year for which an official report has been issued. Bonds outstanding include in some cases bonds held alive in Sinking Funds and bonds held among Treasury Assets.

The Bonds and Capital Stock are given "per mile of road operated" as it is believed that general comparisons can be made more readily on that basis than is possible where the capitalization is reduced to a basis "per mile of road owned."

3. The Income Account for the last fiscal year for which an official report has been issued. Included in Other Income are all dividends on stocks owned, interest on bonds owned, rentals received, credit balance from hire of freight

cars and rent of equipment, etc., and, in the case of a few railroads, profits of coal companies.

Under Fixed Charges are included interest on funded and floating debt, rentals, taxes, net hire and rental of equipment, etc. The amounts paid for rentals and included in Fixed Charges are stated.

4. The Operating Expenses are stated, subdivided as follows: (a) Maintenance of Way; (b) Maintenance of Equipment; (c) Traffic Expenses; (d) Transportation Expenses; (e) Miscellaneous Operations, and General Expenses. As in the table showing the earnings and disbursements, these expenses are given reduced to a "per mile" basis. The ratio which the operating expenses bear to the operating revenues for the year given is also stated.

5. The proportion of the Gross *Income* represented in (a) Maintenance Expenses, (b) Traffic and other Operating Expenses, (c) Fixed Charges and (d) Surplus.

6. The "ton miles per mile of road" and the "passenger miles per mile of road." In arriving at these figures an effort has been made to disregard the tons of company's freight carried.

7. The miles of second and additional main tracks and the miles of yards and sidings.

Numerous notes are included in the Table pages; these notes are self-explanatory.

In conclusion it may be said that an earnest effort has been made in the compilation of the following tables to arrange the same so that trustworthy comparisons may be made respecting the earning power of the different roads.

COMMENT

The following pages are devoted, firstly (pp. 57 to 215 inclusive), to the presentation in table form, of important statistics, showing the range of earnings of the railroads over a series of years, their capitalization, income accounts, etc., as described in Chapter XI; and secondly (p. 216 and following), to the Notes wherein are given other important facts concerning the capitalization, the dividends, the appropriations for improvements, the securities and lands owned, the character of the rail used, etc.

It is important that reference be made to the Notes in connection with the use of the statistical Tables, for not only do the Notes serve to illustrate and supplement the facts given in the Tables, but also in many instances they contain facts which are essential to the proper understanding of the figures given in the Tables. For example, the bonds and stock outstanding of the "New Haven", New York Central R. R. and of the Pennsylvania R. R. include large amounts issued for the purpose of acquiring securities of other railroads, operated separately; the Notes show that the New York Central R. R. owns a large majority of the capital stock of the Cleveland, Cincinnati, Chicago & St. Louis Ry., the Michigan Central R. R., the Rutland R. R., etc., and that the Pennsylvania R. R. owns all the capital stock of the Pennsylvania Co. and practically all the stock of the Philadelphia, Baltimore & Washington R. R., etc. By reference, therefore, to the Notes, information is found which, used in connection with the Tables giving the income accounts of these controlled railroads, will show the extent of the equities which the controlling

railroads possess in the undivided surplus earnings of the subsidiary railroads.

The fact that large purchases have been made by many of the railroads of the securities of other railroads is alone sufficient to emphasize the importance which the proprietorship of these securities has as a factor in determining the investment value of the stocks and bonds, not only of the controlling railroads, but also of the controlled railroads themselves. *As the facts regarding the ownership of securities as well as other equally important matters are given in the Notes, the Notes should be used concurrently with the statistical Tables.*

Note: Owing to the completion of the Panama Canal and to other reasons, the attention of the public is being drawn to the American Countries other than the United States and Canada, as fields for investment, etc. For this reason we have included in this edition the statements of several railroad systems located in Cuba and Central and South America, notably Argentine Republic, in which latter country railroad development has made very rapid progress during recent years.

The tabulations in this book covering the years mentioned in the various tables are almost without exception based on data taken from the original official annual reports of the railroad companies.

SUMMARY OF RAILWAY RETURNS.

Year	Avg. Miles Oper.	Gross	Surplus
1914-15	256,214	\$2,956,193,202	\$354,786,729

The information contained on this page is taken from the Annual Report of "Statistics of Railways in the United States," published by the Interstate Commerce Commission.

CAPITALIZATION

(Outstanding in Hands of Public)

	Total	Per Mile
Stock.....	\$6,125,570,387	\$24,959
Bonds (Includes Income Bonds).....	10,181,932,193	41,488
Total.....	16,307,502,580	66,447

Fixed Charges below include \$24,858,781 for Rentals, \$21,672,189 for Hire of Freight Cars, —Dr., and \$1,874,688 Rent for Cars, \$3,401,520 Amortization of Discount.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 256,214.	Total	Per Mile
Operating Revenues.....	\$2,956,193,202	\$11,538
Operating Expenses.....	2,088,682,956	8,152
Net Operating Revenues.....	867,510,246	3,386
Other Income (Incl. \$88,394,714 Dividend Income).....	182,679,085	713
Gross Corporate Income.....	1,050,189,331	4,099
Fixed Charges (Including for Taxes, \$139,298,167).....	695,402,602	2,714
*Surplus (before \$325,900,869 Dividends Paid).....	354,786,729	1,385

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way.....	\$381,532,488	\$1,490
Maintenance of Equipment.....	509,818,744	1,992
Traffic Expenses.....	60,962,687	239
Transportation Expenses (Incl. \$8,688,803 Water Lines).....	1,034,148,726	4,040
Miscellaneous Operations and General Expenses.....	102,220,311	391

Ratio of Operating Expenses to Operating Revenues, 70.6 per cent.

*This Surplus before deducting \$30,683,537 for Additions and Betterments, \$13,631,499 Sinking Fund Payments and \$14,601,917 Discount Extinguished.

Other Income above includes \$8,752,568 from Rentals, \$40,979,333 Income from Funded Securities and \$30,706,918 Income from Unfunded Securities.

APPROPRIATION OF GROSS INCOME

	1914-15
For Maintenance Expenses.....	28.4%
For Traffic, Transportation and General Expenses.....	38.1%
For Fixed Charges.....	22.2%
For Surplus.....	11.3%
	100.0%
	1914-15
Ton miles per mile of road.....	1,080,465
Passenger miles per mile of road.....	126,395
Miles second and additional main track.....	33,662
Miles, yards and sidings.....	99,910

BANGOR & AROOSTOOK R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1900-1	370		\$1,449,454	\$129,608	1908-9	515		\$2,818,444	\$143,475
1901-2	371		1,708,937	172,973	1909-10	530		2,990,530	351,179
1902-3	401		1,800,168	148,375	1910-11	618		3,172,112	162,636
1903-4	428		2,015,356	196,344	1911-12	631		3,345,241	63,557
1904-5	428		2,159,072	230,999	1912-13	631		3,252,421	*84,307
1905-6	455		2,496,547	299,773	1913-14	631		3,795,413	205,731
1906-7	482		3,221,696	296,291	1914-15	631		3,747,974	226,490
1907-8	501		2,844,082	106,919	1915-16	631		3,775,806	240,609

*Deficit.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$3,448,600

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$23,292,000
Equipment	229,000
Notes (5%) due 1918	2,000,000

CAPITALIZATION

	Total	Per Mile
Stock	\$3,448,000	\$5,464
Bonds	25,521,000	40,445
Total	28,969,000	45,909
Fixed Charges below include \$116 for Rentals; \$3,989 for Hire of Equipment, and \$10,899 Amortization of Discount on Funded Debt.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 631.		
Operating Revenues	\$3,775,806	\$5,983
Operating Expenses	2,386,008	3,781
Net Operating Revenues	1,389,798	2,202
Other Income (incl. \$185,063 Hire of Equipment) ..	259,888	412
Gross Corporate Income	1,649,686	2,614
Fixed Charges (including for Taxes, \$155,964)	1,409,077	2,233
Surplus	240,609	381

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$559,130	\$886
Maintenance of Equipment	591,043	936
Traffic Expenses	35,593	56
Transportation Expenses	*1,023,939	1,623
General Expenses	176,303	280

Ratio of Operating Expenses to Operating Revenues 63.2 per cent.

* After deducting \$732.

Other Income above includes \$8,241 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ...	28.5%	27.6%	25.8%	26.2%	25.7%	26.0%
For Traffic and Other Operating Expenses	30.7%	31.7%	35.0%	37.9%	35.8%	33.8%
For Fixed Charges	34.9%	35.0%	34.0%	38.4%	36.7%	35.4%
For Surplus	5.9%	5.7%	5.2%	Deficit	1.8%	4.8%
	100.0%	100.0%	100.0%		100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	378,363	376,175	383,055	339,306
Passenger miles per mile of road	40,740	41,338	44,752	43,049
Miles, second and additional main track	30	30	24	30
Miles, yards and sidings	208	206	200	199

See Notes, page 216.

BOSTON & MAINE R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	2,280	\$33,537,491	\$1,793,908	1909-10	*2,243	\$43,357,175	\$2,850,622
1903-4	2,285	34,705,230	1,849,456	1910-11	*2,243	44,815,084	355,988
1904-5	2,888	36,017,074	1,883,572	1911-12	*2,244	45,990,364	1,290,248
1905-6	2,287	38,962,437	2,051,920	1912-13	*2,252	48,513,507	49,697
1906-7	2,288	40,879,653	2,599,196	1913-14	*2,252	47,413,906	†2,044,742
1907-8	*2,242	38,990,749	751,496	1914-15	*2,252	46,673,049	†334,462
1908-9	*2,243	39,528,698	2,387,603	1915-16	*2,252	52,075,428	4,065,691

*Does not include Electric Lines (50 miles). †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$39,505,391
Preferred (6%)	3,149,800
Stock per mile of road operated	\$18,949

*As compared with \$17,336,000 Notes outstanding June 30, 1915 and \$27,000,000 outstanding June 30, 1913. See Notes as to offer to extend these Notes or to extend a portion of the Notes and exchange the balance of the same for Maine Railway Notes secured by and convertible into Maine Central R. R. Stock.

Fixed Charges below include \$5,626,029 for Rentals of Leased Lines, \$167,284 for Other Rentals, \$2,074,248 for Hire of Freight Cars, and \$318,559 Rent of Other Equipment and \$82,004 Sinking Fund Payments.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 2,252.	Total	Per Mile
Operating Revenues	\$52,075,428	\$23,124
Operating Expenses	36,197,958	16,073
Net Operating Revenues	15,877,470	7,051
Other Income	1,170,715	519
Gross Corporate Income	17,048,185	7,570
Fixed Charges (including for Taxes, \$1,986,267)	12,982,494	5,764
Surplus	4,065,691	1,806

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$5,986,603	\$2,658
Maintenance of Equipment	6,588,043	2,925
Traffic Expenses	421,797	187
Transportation Expenses (incl. \$14,531 Water Lines) ..	21,757,066	9,662
General Expenses	1,444,449	641

Ratio of Operating Expenses to Operating Revenues 69.5 per cent.

Other Income above includes \$338,675 from Rentals, and \$53,219 from Sinking Fund.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	23.7%	29.0%	29.0%	26.3%	26.1%	26.9%
For Traffic and Other Operat- ing Expenses	44.4%	46.0%	59.0%	49.8%	48.6%	49.9%
For Fixed Charges	24.3%	25.7%	26.2%	23.8%	22.6%	22.4%
For Surplus	7.6%	Deficit	Deficit	0.1%	2.7%	0.8%
	100.0%			100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,315,097	1,073,028	1,171,327	1,208,347
Passenger miles per mile of road	354,660	377,436	338,031	401,447
Miles, second and additional main track	601	601	601	601
Miles, yards and sidings	1,361	1,354	1,353	1,343

See Notes, page 217.

CENTRAL VERMONT RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1904-5	531	\$3,557,776	1910-11	536	\$4,337,644
1905-6	536	3,836,976	1911-12	536	4,435,832
1906-7	536	3,833,088	1912-13	536	4,577,590
1907-8	536	3,740,760	1913-14	536	4,500,111
1908-9	536	3,795,332	1914-15	536	4,210,411
1909-10	536	4,088,411	1915-16	536	4,612,358
		Surplus			Surplus
		\$3,669			\$90,251
		4,516			12,953
		1,813			*9,796
		3,553			†259,258
		3,117			15,418
		24,774			175,208

*Deficit. †Deficit: this amount, \$259,258, was advanced to the company by the Grand Trunk Railway as per Guarantee.

STOCK OUTSTANDING

June 30, 1916.

Common\$3,000,000

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest\$11,785,000

Equipment 635,000

Other 243,840

*Does not include \$250,000 bonds in Treasury. Loans and Bills Payable, June 30, 1916, \$7,758,085.

CAPITALIZATION

	Total	Per Mile
Stock	\$3,000,000	\$5,597
Bonds	12,663,840	23,626
Total	15,663,840	29,223

Fixed Charges below include \$22,840 for Rentals (net), and \$85,710 for Hire of Equipment—debit balance. Net figures are given in the calculation of Fixed Charges and the report is not clear as regards certain important items. Interest on Unfunded Debt is stated as amounting to \$373,931, which sum is offset by Income reported as \$345,696 from "Unfunded Securities and Accounts."

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 536.		
Operating Revenues	\$4,612,358	\$8,605
Operating Expenses	3,444,719	6,427
Net Operating Revenues	1,167,639	2,178
Other Income	43,720	81
Gross Corporate Income	1,211,359	2,259
Fixed Charges (including for Taxes, \$192,994)	1,036,151	1,933
Surplus	175,208	326

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$540,108	\$1,008
Maintenance of Equipment	645,230	1,204
Traffic Expenses	108,400	202
Transportation Expenses	2,021,065	3,770
General Expenses	129,916	243

Ratio of Operating Expenses to Operating Revenues 74.3 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..25.4%	27.9%	32.8%	27.9%	25.4%	26.2%	
For Traffic and Other Operating Expenses ..48.5%	49.1%	51.1%	50.9%	50.7%	48.0%	
For Fixed Charges ..22.2%	22.6%	21.6%	21.4%	23.6%	23.7%	
For Surplus ..3.9%	0.4%	Deficit	Deficit	0.3%	2.1%	
	100.0%	100.0%		100.0%	100.0%	

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	605,464	545,901	617,801	594,699
Passenger miles per mile of road	76,486	78,612	93,015	101,743
Miles, second and additional main track	6	6	6	6
Miles, yards and sidings	168	167	166	165

See Notes, page 221.

MAINE CENTRAL R. R.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1903-4	816	\$6,773,560	1910-11	932	\$9,067,803
1904-5	816	7,099,219	1911-12	*1,192	*10,643,051
1905-6	816	7,655,655	1912-13	*1,205	*11,331,406
1906-7	845	8,200,630	1913-14	*1,207	*11,685,969
1907-8	931	8,514,256	1914-15	*1,216	*11,350,423
1908-9	932	8,337,723	1915-16	*1,220	12,001,673
1909-10	932	8,922,312			

*Includes Portland & Rumford Falls Ry., leased May, 1907; also Somerset Ry. and Washington County R. R. merged July 1, 1911.

STOCK OUTSTANDING

June 30, 1916.

*Common\$14,907,617
 Preferred (5%) 3,000,000
 Per mile of Road Operated, \$14.678.

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest\$19,961,500
 †Maine Rys. Notes 2,492,000

*As compared with \$24,888,767 Common Stock Outstanding June 30, 1915. In place of \$10,000,000 cancelled Common Stock \$3,000,000 5% Preferred Stock and \$7,000,000 First and Refunding 5% Bonds were issued.

†Includes \$13,000,000 First and Refunding Bonds (Series "A" and "B") issued to retire stock (see above) and \$6,000,000 5% Notes due 1919.

‡Assumed, called for payment October, 1916.

Fixed Charges below include \$909,491 for Rentals of Leased Roads, \$91,097 for Other Rentals, \$119,354 for Hire of Equipment and \$297,878 improvements to Leased Roads.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,220		
Operating Revenues	\$12,001,673	\$9,837
Operating Expenses	8,192,578	6,715
Net Operating Revenues	3,809,095	3,122
Other Income	621,332	509
Gross Corporate Income	4,430,427	3,631
Fixed Charges (including for Taxes, \$636,423)	2,829,951	2,319
*Surplus	1,600,476	1,312

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,644,715	\$1,348
Maintenance of Equipment	1,691,646	1,387
Traffic Expenses	137,860	113
Transportation Expenses (incl. \$56,401 Water Lines) .	†4,327,411	3,547
Miscellaneous Operations and General Expenses	390,946	320

Ratio of Operating Expenses to Operating Revenues 68.3 per cent.

*This Surplus before deducting \$198,628 for Additions and Betterments and \$42,867 Sinking Fund Payments.

†After deducting \$1,531 Transportation for Investment-Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..26.4%	27.8%	28.7%	29.6%	30.7%	29.0%	
For Traffic and Other Operat- ing Expenses	38.5%	39.2%	41.4%	41.4%	40.5%	40.1%
For Fixed Charges	22.4%	19.7%	18.8%	19.4%	23.9%	26.4%
For Surplus	12.7%	13.3%	11.1%	9.6%	4.9%	4.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	598,905	538,022	587,319	544,690
Passenger miles per mile of road	118,374	114,229	133,431	139,950
Miles, second and additional main track	78	78	76	76
Miles, yards and sidings	376	378	372	364

See Notes, page 222.

NEW YORK, NEW HAVEN & HARTFORD R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906-7	2,060	\$55,601,936	\$8,893,042	1911-12	2,091	\$64,933,065	\$13,335,551
1907-8	2,047	53,050,147	5,266,569	1912-13	2,092	68,613,503	8,922,238
1908-9	2,044	54,347,631	7,430,229	1913-14	2,046	66,617,693	268,663
1909-10	2,042	60,693,668	10,796,874	1914-15	2,003	65,379,264	2,307,971
1910-11	2,041	62,153,435	11,187,312	1915-16	*2,005	76,311,653	4,315,757

*Does not include Street Railways.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$157,117,900
Per mile of Road Operated,	\$78,363

*BONDS OUTSTANDING

June 30, 1916.	
Debentures	\$155,546,919
Mortgage Bonds	58,611,000
†Notes, etc.	25,007,000
Other	848,393

*Includes bonds and debentures of Merged Roads Assumed among which are bonds of public service companies; but does not include \$2,240,350 Bonds in Treasury and Sinking Fund and does not include Funded Debt of Subsidiary Companies (New England Navigation Co., Central New England Ry., etc.). †Does not include \$20,000,000 6% Notes of the New England Navigation Co., due May 1, 1917.

Fixed Charges below include \$6,156,401 for Rentals of Leased Lines, \$3,137,857 for Other Rents, \$2,700,888 for Hire of Freight Cars (net) and Rent of Other Equipment and \$981,595 Loss Separately Operated Properties (N. Y., Westchester & Boston Ry.: Boston R. R. Holding Co., etc.).

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 2,005.	Total	Per Mile
Operating Revenues	\$76,311,653	\$38,060
Operating Expenses	51,078,358	25,475
Net Operating Revenues	25,233,295	12,585
Other Income (incl. \$2,301,854 from Rentals)	6,469,832	3,227
Gross Corporate Income	31,703,127	15,812
Fixed Charges (including for Taxes, \$2,856,255)	27,387,370	13,660
*Surplus	4,315,757	2,152

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$8,779,166	\$4,379
Maintenance of Equipment	10,859,656	5,416
Traffic Expenses	470,278	234
Transportation Expenses	28,367,046	14,148
Miscellaneous Operations, General Expenses	2,602,212	1,298

Ratio of Operating Expenses to Operating Revenues 66.9 per cent.

Other Income above includes \$3,863,708 Income from Stocks, Bonds and Unfunded Securities.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	23.7%	24.6%	26.0%	22.0%	19.4%	19.5%
For Traffic and Other Operating Expenses	38.0%	37.4%	39.6%	37.5%	35.5%	36.7%
For Fixed Charges	33.1%	34.8%	34.0%	29.2%	27.6%	28.4%
For Surplus	5.2%	3.2%	0.4%	11.3%	17.5%	15.4%

100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
Ton miles per mile of road	1,241,029	1,090,918	1,151,832	1,249,961		
Passenger miles per mile of road....	797,246	737,828	802,908	781,277		
Miles, second and additional main track	1,110	1,113	1,118	1,182		
Miles, yards and sidings	1,485	1,418	1,478	1,493		

See Notes, page 224.

RUTLAND R. R.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1901-2	416	\$2,134,382	1909	*468	\$3,102,432
1902-3	415	2,376,563	1910	*468	3,339,834
1903-4	415	2,414,452	1911	*468	3,416,713
1905	*468	2,562,088	1912	*468	3,612,521
1906	*468	2,799,210	1913	*468	3,752,774
1907	*468	3,058,087	1914	*468	3,526,095
1908	*468	2,755,204	1915	*468	3,549,591

Surplus

*Includes 53 miles operated under trackage right for passenger traffic only.

*STOCK OUTSTANDING

†BONDS OUTSTANDING

Dec. 31, 1915.

Dec. 31, 1915.

Common	\$199,400	Fixed Interest	\$10,744,000
Preferred (7%)	9,057,600	Equipment	783,000

*Includes \$500 Common Stock and \$103,200 Preferred Stock in Treasury. †Includes \$528,700 bonds in Treasury.

Loans and Bills Payable, December 31, 1915, \$378,000.

CAPITALIZATION

	Total	Per Mile
Stock	\$9,257,000	\$19,780
Bonds	11,527,000	32,198
Total	20,784,000	51,978

Fixed Charges below include \$30,540 for Rentals.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 468.	Total	Per Mile
Operating Revenues	\$3,549,591	\$9,915
Operating Expenses	2,472,112	6,905
Net Operating Revenues	1,077,479	3,010
Other Income (incl. \$68,781 Hire of Equipment)	182,614	510
Gross Corporate Income	1,260,093	3,520
Fixed Charges (including for Taxes, \$203,156)	764,649	2,136
*Surplus	495,444	1,384

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$434,210	\$1,213
Maintenance of Equipment	566,037	1,581
Traffic Expenses	108,174	302
Transportation Expenses	1,280,989	3,578
General Expenses	82,702	231

Ratio of Operating Expenses to Operating Revenues 69.6 per cent.

*This Surplus before deducting \$39,274 for Additions and Betterments.

Other Income above includes \$31,635 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses	26.8%	28.8%	31.1%	30.1%	26.3%	28.0%
For Traffic and Other Operating Expenses	39.4%	45.1%	42.6%	43.3%	43.8%	41.4%
For Fixed Charges	20.5%	20.6%	19.4%	18.8%	21.4%	21.4%
For Surplus	13.3%	5.5%	6.9%	7.8%	8.5%	9.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	*582,775	*618,491	*608,468	*629,094
Passenger miles per mile of road ...	†104,008	†114,830	†121,516	†114,375
Miles, yards and sidings	125	120	119	117

†Based on total of 468 miles operated for passenger service.

*Based on total of 415 miles operated for freight service.

See Notes, page 233.

ST. JOHNSBURY & LAKE CHAMPLAIN R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Deficit	Year	Oper.	Gross	Deficit
1905-6	131	\$322,673	\$32,957	1911-12	*98	\$361,338	\$49,360
1906-7	131	367,996	44,067	1912-13	98	385,450	55,165
1907-8	131	349,760	75,386	1913-14	98	386,464	88,394
1908-9	125	333,581	66,812	1914-15	98	316,036	127,129
1909-10	125	361,613	58,641	1915-16	98	351,810	81,571
1910-11	125	385,237	38,238				

*A portion of the line was leased in January, 1912, to the Maine Central R. R. This explains decrease in mileage operated.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$2,452,449
Preferred (6%)	1,154,400

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$2,500,000
*Other	940,435

*Non-Negotiable Debt to Affiliated Companies.

Loans Payable, June 30, 1916, \$30,101.

CAPITALIZATION

	Total	Per Mile
Stock	\$3,606,849	\$36,805
Bonds	3,440,435	35,106
Total	7,047,284	71,911

Fixed Charges below include \$34,219 for Hire of Equipment and Other Rentals but do not include \$58,600 interest on Bonds owned by the Boston & Maine R. R. and Boston & Lowell R. R.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 98.		
Operating Revenues	\$351,810	\$3,590
Operating Expenses	295,857	3,019
Net Operating Revenues	55,953	571
Other Income	21,143	216
Gross Corporate Income	77,096	787
Fixed Charges (including for Taxes, \$15,393)	158,667	1,609
Deficit	81,571	822

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$101,959	\$1,040
Maintenance of Equipment	18,322	187
Traffic Expenses	2,364	24
Transportation Expenses	161,790	1,651
General Expenses	11,422	117

Ratio of Operating Expenses to Operating Revenues 84.1 per cent.

Other Income above includes \$20,000 from Rentals of Road Leased to the Maine Central R. R.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	32.3%	37.1%	27.7%	23.0%	23.0%	25.1%
For Traffic and Other Operating Expenses ..	47.1%	52.1%	52.1%	50.9%	50.1%	46.5%
For Fixed Charges ..	42.3%	48.2%	41.6%	39.5%	40.1%	38.3%
For Surplus	Dfct.	Dfct.	Dfct.	Dfct.	Dfct.	Dfct.

	1915-16	1914-15	1913-14	1912-13
Tons miles per mile of road .....	.....	.....	.....	151,886
Passenger miles per mile of road..	.....	.....	.....	39,213
Miles, yards and sidings	16	17	17	16

See Notes, page 234.

BALTIMORE & OHIO R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	3,935	\$63,449,633	\$14,905,133	1909-10	4,434	\$88,901,252	\$16,247,587
1903-4	3,987	65,071,081	12,766,010	1910-11	4,434	88,145,004	12,819,991
1904-5	4,026	67,689,997	14,153,248	1911-12	4,455	92,594,323	13,898,058
1905-6	4,030	77,392,056	19,130,338	1912-13	4,456	101,556,132	13,382,111
1906-7	4,006	82,243,922	18,545,611	1913-14	4,478	97,411,441	9,250,024
1907-8	3,992	73,608,781	10,422,738	1914-15	4,535	91,815,797	10,780,881
1908-9	4,004	71,043,519	13,020,965	1915-16	4,539	111,668,680	13,692,447

STOCK OUTSTANDING

June 30, 1916.

Common	\$151,945,953
Preferred (4%)	58,863,182

*BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest	\$400,640,330
Equipment	13,735,000
Real Estate	3,055,460
†Includes \$63,250,000	

*Does not include \$3,530,450 Bonds in Treasury. †Includes \$63,250,000 4½% Bonds convertible into Common Stock at 110 (see Notes).

CAPITALIZATION

	Total	Per Mile
Stock	\$210,808,775	\$46,444
Bonds	417,430,790	91,965
Total	628,239,565	138,409

Fixed Charges below include \$1,401,953 for Rentals, \$1,163,273 for Hire of Freight Cars—Dr. and \$215,218 Rent for Other Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 4,539.		
Operating Revenues	\$111,668,680	\$24,602
Operating Expenses	79,319,804	17,475
Net Operating Revenues	32,348,876	7,127
Other Income (incl. \$207,899 Hire of Equipment)	5,844,375	1,287
Gross Corporate Income	38,193,251	8,414
Fixed Charges (including for Taxes, \$3,674,248)	24,500,804	5,398
*Surplus	13,692,447	3,016

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$13,917,815	\$3,066
Maintenance of Equipment	23,513,811	5,180
Traffic Expenses	1,937,389	427
Transportation Expenses	†36,782,270	8,104
Miscellaneous Operations and General Expenses	3,168,519	698

Ratio of Operating Expenses to Operating Revenues 71.0 per cent.

*This Surplus before deducting \$76,231 Income applied to Sinking and Other Reserve Funds.

†After deducting \$53,650 Transportation for Investment—Cr.

Other Income above includes \$1,401,952 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	31.9%	25.8%	27.9%	30.3%	28.9%	28.1%
For Traffic and Other Operating Expenses	35.7%	40.1%	41.8%	38.8%	37.8%	39.3%
For Fixed Charges	20.9%	23.0%	21.4%	18.4%	19.0%	18.8%
For Surplus	11.6%	11.1%	8.9%	12.5%	14.3%	13.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	3,479,318	2,860,005	3,112,539	3,211,865
Passenger miles per mile of road ..	164,750	157,514	183,212	180,688
Miles, second and additional main track	1,498	1,499	1,495	1,488
Miles, yards, and sidings	3,004	2,973	2,935	2,931

See Notes, page 234.

BALTIMORE & OHIO CHICAGO TERMINAL R. R.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1910-11	77	\$1,451,102	1913-14	77	*\$1,594,454
1911-12	77	1,557,470	1914-15	79	1,555,299
1912-13	77	1,794,351	1915-16	79	1,796,502
					Surplus
					\$161,831
					131,783
					132,087

Other Income (mostly Rentals) for 1915-16, \$1,343,907; 1914-15, \$1,463,965; 1913-14, \$1,200,348; 1912-13, \$803,548; 1911-12, \$820,233 and 1910-11, \$841,689.

*Deficit.

STOCK OUTSTANDING

June 30, 1916.

BONDS OUTSTANDING

June 30, 1916.

Common\$8,000,000 Fixed Interest\$33,044,000

CAPITALIZATION

	Total	Per Mile
Stock	\$8,000,000	\$101.266
Bonds	33,044,000	418.278
Total	41,044,000	519.344

Fixed Charges below include \$6,539 for Rentals, \$154,957 for Hire of Freight Cars—Dr., and \$11,477 Rent for Equipment other than Freight Cars.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 79.	Total	Per Mile
Operating Revenues	\$1,796,502	\$22.741
Operating Expenses	1,360,215	17.218
Net Operating Revenues	436,287	5.523
Other Income (incl. \$1,369,608 from Rentals)	1,463,965	18.531
Gross Corporate Income	1,900,252	24.054
Fixed Charges (including for Taxes, \$226,967)	1,768,165	22.382
Surplus	132,087	1.672

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$199,073	\$2.520
Maintenance of Equipment	237,435	3.006
Traffic Expenses	11,221	.142
Transportation Expenses	*791,593	10.020
Miscellaneous Operations and General Expenses	120,893	1.530

Ratio of Operating Expenses to Operating Revenues 75.7 per cent.

*After deducting \$33,075 Transportation for Investment—Cr.

Other Income above includes \$24,273 Rent from Equipment Other than Freight Cars.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13
For Maintenance Expenses	13.4%	12.2%	16.4%	19.5%
For Traffic and other Operating Expenses	28.3%	25.2%	29.1%	34.6%
For Fixed Charges	54.2%	58.0%	60.3%	59.7%
For Surplus	4.1%	4.6%	Deficit	Deficit

100.0% 100.0%

See Notes, page 239.

BUFFALO & SUSQUEHANNA R. R. CORPORATION:

(Successor through reorganization to Buffalo & Susquehanna R. R.)

Year	Avg. Miles		Gross	Surplus
	Oper.	*253		
1914	253		\$1,446,196	\$162,042
1915	*253		1,532,863	387,800

STOCK OUTSTANDING

	Dec. 31, 1915.
Common	\$3,000,000
Preferred (4%)	4,000,000

BONDS OUTSTANDING

	Dec. 31, 1915.
Fixed Interest	\$6,729,900
Equipment	166,000

CAPITALIZATION

	Total	Per Mile
Stock	\$7,000,000	\$27,668
Bonds	6,895,900	27,256
Total	13,895,900	54,924
Fixed Charges below include \$22,772 for Rentals and \$11,692 for Rent of Equipment other than Freight Cars.		

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 253.		Total	Per Mile
Operating Revenues		\$1,532,863	\$6,059
Operating Expenses		1,209,396	4,780
Net Operating Revenues		323,467	1,279
Other Income (incl. \$70,173 from Rentals)		415,241	1,641
Gross Corporate Income		738,708	2,920
Fixed Charges (including for Taxes, \$31,200)		350,908	1,387
*Surplus		387,800	1,533

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$246,483	\$974
Maintenance of Equipment	444,536	1,757
Traffic Expenses	14,352	57
Transportation Expenses	433,012	1,711
General Expenses	71,013	281

Ratio of Operating Expenses to Operating Revenues 78.8 per cent.

*This Surplus before deducting \$5,078 Income Applied to Sinking and Other Reserve Funds.

Other Income above includes \$182,387 Income from Dividends, Funded and Unfunded Securities and Accounts, \$197,880 Hire of Freight Cars—Cr., and \$27,833 Rent from Other Equipment.

APPROPRIATION OF GROSS INCOME

	1915	1914
For Maintenance Expenses	35.4%	39.3%
For Traffic and Other Operating Expenses	26.6%	30.8%
For Fixed Charges	18.0%	21.1%
For Surplus	19.9%	8.8%
	100.0%	100.0%

	1915	1914
Ton miles per mile of road	848,923	824,068
Passenger miles per mile of road	11,489	12,483
Miles, yards and sidings	78	79

See Notes, page 240.

BUFFALO, ROCHESTER & PITTSBURGH RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	472	\$7,404,503	\$1,781,595	1909-10	567	\$8,936,117	\$1,527,373
1903-4	499	7,496,521	1,513,264	1910-11	573	9,134,402	1,709,277
1904-5	538	8,138,274	1,387,271	1911-12	570	9,542,368	1,770,895
1905-6	568	7,797,248	1,510,644	1912-13	576	10,947,246	2,126,994
1906-7	569	8,595,916	1,539,203	1913-14	581	10,709,535	1,354,784
1907-8	563	7,422,236	1,036,192	1914-15	586	9,479,936	912,720
1908-9	568	7,171,897	1,042,422	1915-16	*586	11,971,019	1,964,137

*Includes 130 miles trackage.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$10,500,000
Preferred (6%)	6,000,000

*BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$19,709,000
Equipment	9,184,000

*Does not include \$1,604,000 bonds in Treasury and \$368,000 Equipment bonds held in funds.

CAPITALIZATION

	Total	Per Mile
Stock	\$16,500,000	\$28,157
Bonds	28,893,000	49,306
Total	45,393,000	77,463

Fixed Charges below include \$373,500 for Rentals of Leased Roads, \$314,087 for Joint Facilities Rents and \$974 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 586.		
Operating Revenues	\$11,971,019	\$20,428
Operating Expenses	8,648,790	14,759
Net Operating Revenues	3,322,229	5,669
Other Income (Incl. \$165,587 from Rentals)	1,016,099	1,734
Gross Corporate Income	4,338,328	7,403
Fixed Charges (including for Taxes, \$250,000)	2,374,191	4,051
Surplus	1,964,137	3,351

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,652,891	\$2,821
Maintenance of Equipment	2,753,623	4,699
Traffic Expenses	142,840	244
Transportation Expenses	3,819,911	6,518
Miscellaneous Operations and General Expenses	279,525	477

Ratio of Operating Expenses to Operating Revenues 72.2 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	34.0%	33.4%	31.8%	31.1%	29.1%	29.2%
For Traffic and Other Operating Expenses.....	32.7%	34.6%	37.1%	33.0%	33.5%	32.4%
For Fixed Charges	18.3%	23.0%	19.4%	18.1%	20.2%	21.3%
For Surplus	15.0%	9.0%	11.7%	17.8%	17.2%	17.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	3,816,284	2,868,639	3,407,940	3,542,289
Passenger miles per mile of road ...	87,964	86,033	95,752	94,745
Miles, second and additional main track	208	208	207	195
Miles, yards and sidings	378	373	360	334

See Notes, page 241.

CENTRAL R. R. OF NEW JERSEY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	602	\$19,259,117	\$5,032,422	1910-11	634	\$24,799,235	\$7,148,101
1905-6	610	20,533,031	5,659,705	1911-12	†669	25,890,094	6,009,072
1906-7	610	22,772,568	5,782,879	1912-13	†676	28,405,757	7,332,883
1907-8	610	23,184,414	5,123,473	1913-14	†678	27,372,315	5,723,934
1908-9	610	22,068,278	4,537,988	1914-15	†681	28,742,256	5,312,178
1909-10	631	23,851,511	*9,103,899	1915-16	†684	33,462,929	†5,972,573

*Includes profits from sale of Lehigh Valley R. R. stock (amount not specified). †Includes New York & Long Branch R. R. (3.8 miles).

†Not including \$1,103,654 dividend on L. & W.-B. Coal Co. stock (see below).

STOCK OUTSTANDING

June 30, 1916.

Common\$27,436,800

*BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$45,091,000

*Does not include \$1,167,000 Bonds and \$3,110,000 Equipment Certificates (entire issue) in Treasury.

CAPITALIZATION

	Total	Per Mile
Stock	\$27,436,800	\$40,112
Bonds	45,091,000	65,923
Total	72,527,800	106,035

Fixed Charges below include \$2,329,335 Rent for Leased Roads, \$348,986 Other Rental and \$572,759 Rent for Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 684.	Total	Per Mile
Operating Revenues	\$33,462,929	\$48,922
Operating Expenses	21,129,895	30,892
Net Operating Revenues	12,333,034	18,030
Other Income (incl. \$349,620 from Rentals)	1,303,786	1,905
Gross Corporate Income	13,636,820	19,935
Fixed Charges (including for Taxes, \$1,826,514)	7,664,247	11,205
Surplus	5,972,573	8,730

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,775,739	\$4,058
Maintenance of Equipment	5,451,510	7,970
Traffic Expenses	359,641	526
Transportation Expenses (incl. \$121,949 Water Lines)	11,661,465	17,049
Miscellaneous Operations and General Expenses	881,540	1,289

Ratio of Operating Expenses to Operating Revenues 65.2 per cent.

Other Income above includes \$349,620 from Rentals, \$125,606 Rent from Equipment and \$199,231 Dividend Income. Other Income does not include \$1,103,654 Dividend from Lehigh & Wilkesbarre Coal Co. stock owned (see Notes).

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	23.7%	24.3%	26.3%	22.8%	23.1%	22.8%
For Traffic and Other Operating Expenses	37.1%	34.1%	32.1%	30.7%	31.5%	29.1%
For Fixed Charges	22.0%	25.2%	22.8%	22.6%	24.0%	22.0%
For Surplus	17.2%	16.4%	18.8%	23.9%	21.4%	26.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	3,875,362	3,309,195	3,499,933	3,672,024
Passenger miles per mile of road	589,356	558,757	557,703	556,960
Miles, second and additional main track	333	332	334	334
Miles, yards and sidings	811	786	782	737

See Notes, page 242.

CUMBERLAND VALLEY R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1902	163		\$1,256,501	\$316,643	1909	162		\$2,668,951	\$1,037,361
1903	163		2,019,378	350,064	1910	162		3,128,258	970,397
1904	163		2,165,558	579,059	1911	162		2,891,331	729,635
1905	163		2,472,221	851,259	1912	162		3,291,360	872,542
1906	163		2,904,990	962,624	1913	162		3,574,335	851,535
1907	162		2,935,107	985,101	1914	164		3,227,054	947,221
1908	162		2,409,762	932,359	1915	164		3,091,214	1,076,755

STOCK OUTSTANDING

December 31, 1915.

Common	\$4,848,650
Preferred 1st (8%).....	241,900
Preferred 2d (8%).....	243,000

BONDS OUTSTANDING

December 31, 1915.

Equipment	\$5,420
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CAPITALIZATION

	Total	Per Mile
Stock	\$5,333,550	\$32,522
Bonds	5,420	33
Total	5,338,970	32,555

Fixed Charges below include \$136,291 for Rentals, and \$12,956 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 164.		
Operating Revenues (1916, \$3,684,644)	\$3,091,214	\$18,849
Operating Expenses (1916, \$2,039,343)	1,879,599	11,461
Net Operating Revenues (1916, \$1,645,301)	1,211,615	7,388
Other Income (Including \$32,637 from Rentals).....	88,136	537
Gross Corporate Income	1,299,751	7,925
Fixed Charges	222,996	1,360
*Surplus (1916, \$1,435,651)	1,076,755	6,565

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$389,471	\$2,375
Maintenance of Equipment	349,705	2,132
Traffic Expenses	53,202	324
Transportation Expenses	970,773	5,919
General Expenses	116,439	710

Ratio of Operating Expenses to Operating Revenues 60.6 per cent.

*This Surplus before deducting \$649,991 Income appropriated for Investment in Physical Property.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses...23.2%	23.1%	31.0%	30.0%	31.2%	26.5%	
For Traffic and Other Operating Expenses	35.6%	38.1%	37.1%	36.1%	36.3%	34.6%
For Fixed Charges	7.0%	5.4%	8.7%	8.0%	7.9%	8.5%
For Surplus	34.2%	28.4%	23.2%	25.9%	24.6%	30.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road.....	2,467,731	2,756,584	3,303,332	2,894,420
Passenger miles per mile of road.....	192,621	210,971	226,172	224,940
Miles, second and additional main track	60	60	57	57
Miles, yards and sidings.....	113	113	109	94

See Notes, page 244.

DELAWARE & HUDSON CO.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902	689	\$11,050,690	\$2,497,874	1909	843	\$19,525,859	\$5,194,840
1903	769	13,642,953	6,205,156	1910	843	20,431,800	5,330,189
1904	843	15,071,124	5,256,446	1911	878	21,421,817	5,237,681
1905	843	16,382,074	5,707,743	1912	878	22,480,103	5,506,089
1906	843	17,050,029	5,301,622	1913	904	24,153,495	6,174,736
1907	845	20,175,793	6,466,172	1914	904	22,595,028	4,607,862
1908	845	18,500,731	5,254,453	1915	909	23,787,519	6,071,441

STOCK OUTSTANDING

December 31, 1915.

Common	\$42,503,000
Stock per mile of road operated	\$46,758

*See Notes regarding issue under date of October 1, 1915, of \$14,451,000 5% bonds due 1935 convertible into stock at 150 between October 1, 1917, and October 1, 1927. The proceeds of this issue were used to pay off \$13,973,000 4% bonds due June 15, 1915.

Loans Payable, December 31, 1915, \$2,703,534.

Fixed Charges below include \$1,999,352 for Rentals, \$75,000 Interest on Divisional Bonds and \$135,586 General Interest and Discount.

BONDS OUTSTANDING

December 31, 1915.

*Fixed Interest	\$66,635,625
Equipment	9,643,000

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated 909.	Total	Per Mile
Operating Revenues	\$23,787,519	\$26.169
Operating Expenses	14,823,626	16.308
Net Operating Revenues	8,963,893	9.861
Other Income (including \$142,489 Hire of Equipment)..	2,628,620	2.892
Gross Corporate Income.....	11,592,513	12.753
Fixed Charges (including for R. R. Taxes \$680,119)..	5,521,072	6.074
Surplus	6,071,441	6.679

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,852,166	\$2.038
Maintenance of Equipment	3,703,382	4.074
Traffic Expenses	315,992	.348
Transportation Expenses	*7,985,682	8.785
General Expenses	966,404	1.063

Ratio of Operating Expenses to Operating Revenues 62.3 per cent.

*After deducting \$22,299 Transportation for Investment—Cr.

Other Income above includes \$879,984 Dividends and Income (largely from Traction Co. Shares owned), and \$1,480,800 Gross Income, Coal Department (\$1,357,955 in 1914).

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses ..	21.0%	21.2%	20.7%	20.8%	19.7%	19.5%
For Traffic and Other Operat- ing Expenses	35.1%	38.7%	36.1%	35.8%	35.5%	34.6%
For Fixed Charges	20.9%	21.8%	20.1%	21.2%	22.2%	22.3%
For Surplus	23.0%	18.3%	23.1%	22.2%	22.6%	23.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road.....	3,167,185	3,022,296	2,688,070	3,221,937
Passenger miles per mile of road ...	146,841	163,342	140,692	176,565
Miles, second and additional main track	348	381	371	368
Miles, yards and sidings	642	639	634	650

See Notes, page 245.

DELAWARE, LACKAWANNA & WESTERN R. R.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1902	771	\$21,398,764	1909	815	\$34,815,011
1903	770	29,180,964	1910	815	36,052,932
1904	770	23,701,991	1911	843	36,586,563
1905	770	31,951,063	1912	923	37,564,511
1906	770	32,962,880	1913	923	40,784,148
1907	770	37,264,473	1914	923	39,249,790
1908	770	32,898,495	1915	*919	44,786,731

*Does not include 62 miles controlled and operated.

STOCK OUTSTANDING

BONDS OUTSTANDING

December 31, 1915.		December 31, 1915.	
Common	\$42,277,000	B. & P. Ry.	\$320,000
Per mile of road operated	\$46,003		

CAPITALIZATION

Fixed Charges below include \$6,063,815 for Rentals of Leased Roads and \$1,289,700 Discount on Bonds sold.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated 919.	Total	Per Mile
Operating Revenues	\$44,786,731	\$48,734
Operating Expenses	27,756,947	30,203
Net Operating Revenues	17,029,784	18,531
Other Income (including \$316,530 from Rentals)	5,026,014	5,469
Gross Corporate Income	22,055,798	24,000
Fixed Charges (including for Taxes, \$2,115,334)	9,476,602	10,312
*Surplus	12,579,196	13,688

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,662,311	\$5,073
Maintenance of Equipment	6,869,900	7,475
Traffic Expenses	920,556	1,002
Transportation Expenses	†14,011,675	15,247
General Expenses	1,292,505	1,406

Ratio of Operating Expenses to Operating Revenues 62.0 per cent.

*This Surplus before deducting \$1,616,056 for Additions and Betterments (\$1,299,286 in 1914; \$1,879,576 in 1913).

†After deducting \$210,621 Transportation for Investment—Cr.

Other Income above includes \$280,920 from Rentals, \$22,440 from Hire of Equipment—Cr., \$1,536,916 Coal Department Earnings, \$1,906,123 Depletion of Coal Deposits and \$405,501 Dividends on Stocks.

1915 Earnings as above are classified in accordance with new basis prescribed by the I. C. C.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses	23.2%	24.5%	24.8%	24.7%	23.8%	21.7%
For Traffic and Other Operating Expenses	32.6%	30.2%	31.2%	30.6%	29.8%	28.8%
For Fixed Charges	19.1%	16.7%	18.6%	17.7%	17.9%	17.0%
For Surplus	25.1%	28.6%	25.4%	27.0%	28.5%	32.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	4,571,589	4,150,981	4,398,206	4,041,439
Passenger miles per mile of road	574,743	574,766	591,884	547,763
Miles, second and additional main track	653	636	543	541
Miles, yards and sidings	1,015	1,017	1,102	1,078

See Notes, page 247.

ERIE R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	*Surplus	Year	Oper.	Gross	*Surplus
1904-5	2,150	\$43,321,647	\$4,406,596	1910-11	2,265	\$53,820,050	\$5,390,412
1905-6	2,151	47,461,402	5,016,644	1911-12	2,258	53,708,469	3,377,203
1906-7	2,151	51,194,113	5,903,658	1912-13	2,257	59,465,185	8,105,675
1907-8	2,171	46,746,436	†1,623,423	1913-14	2,257	57,804,814	1,422,975
1908-9	2,231	47,514,859	2,947,644	1914	2,257	†31,216,708	†771,501
1909-10	2,227	51,830,720	5,806,543	1915	2,257	66,436,720	8,236,041

*Surplus for years 1912-13, 1913-14 and 1915 before deducting Sinking Fund Payment
 Surplus for prior years after deducting same. †Deficit. ‡Fiscal year changed July 1, 1914,
 to the calendar year; figures are for six months July 1 to December 31.

STOCK OUTSTANDING

December 31, 1915	
Common	\$112,378,900
Preferred 1st (4%)	47,892,400
Preferred 2nd (4%)	16,000,000

BONDS OUTSTANDING

December 31, 1915	
*Fixed Interest	\$182,605,400
Equipment	13,166,983
†Notes	23,280,000
Other	907,069

*Does not include \$27,824,000 bonds owned (Dec. 31, 1915) and pledged; also \$7,781,000 bonds in Sinking Fund. In April, 1916, \$19,627,100 Convertible 4% Series "D" bonds were issued to provide for the retirement of \$10,000,000 Notes due April, 1916, and in part for retirement of \$13,500,000 5½% Notes due April, 1917. †\$10,000,000 of which carried in the balance sheet under "Loans Payable."

CAPITALIZATION

	Total	Per Mile
Stock	\$176,271,300	\$78,100
Bonds	219,959,452	97,456
Total	396,230,752	175,556

Fixed charges below include \$2,295,149 for Rent of Leased Roads;
 \$933,517 for Other Rentals; \$681,266 Hire for Freight Cars (net); \$191,673
 Rent for Other Equipment.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 2,257.		
Operating Revenues	\$66,436,720	\$29,436
Operating Expenses	43,416,683	19,237
Net Operating Revenues	23,020,037	10,199
Other Income (incl. \$701,557 from Rentals)	2,464,215	1,092
Gross Corporate Income	25,484,252	11,291
Fixed Charges (including for Taxes, \$2,206,407)	17,248,211	7,642
*Surplus	8,236,041	3,649

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$5,630,281	\$2,495
Maintenance of Equipment	11,484,233	5,088
Traffic Expenses	1,339,635	594
Transportation Expenses (incl. \$287,497 Water Lines)	†23,094,481	10,232
Misc. Operations and General Expenses	1,868,052	828

Ratio of Operating Expenses to Operating Revenues, 65.3 per cent.

*This Surplus before deducting \$1,383,754 for Investment in Physical Property and
 \$836,063 appropriated to Sinking and other Reserve Funds.

†After deducting \$116,101 Transportation for investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses.....	24.8%	30.2%	26.0%	26.6%	25.5%	26.1%
For Traffic, Transportation and General Expenses.....	38.2%	40.5%	36.0%	37.9%	36.3%	35.2%
For Fixed Charges	25.0%	27.0%	25.6%	29.7%	28.6%	28.3%
For Surplus	12.0%	2.3%	12.4%	5.8%	9.3%	10.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1913-14	1912-13	1911-12
Ton miles per mile of road.....	3,793,698	3,291,110	3,425,199	3,021,949
Passenger miles per mile of road.....	261,698	243,304	286,675	270,837
Miles, second etc. main track.....	1,257	1,243	1,146	1,011
Miles, yards and sidings.....		1,768	1,237	1,699

See Notes, page 250.

FONDA, JOHNSTOWN & GLOVERSVILLE R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1908-9	86	\$792,659	\$41,204	1912-13	88	\$988,323	\$94,101
1909-10	86	904,751	117,174	1913-14	89	986,877	92,707
1910-11	86	946,366	134,304	1914-15	88	874,762	13,263
1911-12	88	932,168	101,661	1915-16	88	*954,011	53,864

*Steam and Electric Divisions; passenger revenue from Electric Division was \$591,731 in 1915-16.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$2,500,000
*Preferred (6%)	500,000
*Cumulative.	

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$7,000,000

CAPITALIZATION

	Total	Per Mile
Stock	\$3,000,000	\$34.091
Bonds	7,000,000	79.545
Total	10,000,000	113.636

Fixed Charges below include \$8,100 for Rentals of Leased Lines, \$22,586 for Other Rentals, \$28,808 Hire of Equipment and \$2,959 Deficit Summer Resort, Sacandaga, N. Y.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 88.		Total	Per Mile
Operating Revenues		\$954,011	\$10.841
Operating Expenses		493,103	5.603
Net Operating Revenues		460,908	5.238
Other Income		30,560	347
Gross Corporate Income		491,468	5.585
Fixed Charges (including for Taxes, \$44,608)		437,604	4.973
Surplus		53,864	612

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$90,750	\$1.031
Maintenance of Equipment	57,399	652
Traffic Expenses	8,667	99
Transportation Expenses (including \$37,665 Power)	270,726	3,076
General Expenses	65,561	745

Ratio of Operating Expenses to Operating Revenues 51.7 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	15.0%	14.1%	14.0%	14.8%	13.3%	13.2%
For Traffic and Other Operating Expenses	35.0%	37.4%	34.5%	34.0%	33.9%	31.9%
For Fixed Charges	44.5%	47.0%	42.4%	42.0%	42.3%	41.2%
For Surplus	5.5%	1.5%	9.1%	9.2%	10.5%	13.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Miles, second and additional main track	23	23	23	22
Miles, yards and sidings	14	13	13	13

See Notes, page 256.

LEHIGH & HUDSON RIVER RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	77	\$464,110	\$22,023	1910-11	97	\$1,465,795	\$244,264
1905-6	86	626,971	67,592	1911-12	97	1,621,891	236,771
1906-7	97	844,335	43,387	1912-13	97	1,849,435	272,175
1907-8	97	851,519	11,532	1913-14	97	1,774,792	132,693
1908-9	97	1,251,316	80,400	1914-15	97	1,816,585	261,299
1909-10	97	1,440,033	245,172	1915-16	*97	2,109,857	483,299

*Includes 22 miles trackage.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.		June 30, 1916.	
Common	\$1,340,000	Fixed Interest	\$3,151,000

CAPITALIZATION

	Total	Per Mile
Stock	\$1,340,000	\$13,814
Bonds	3,151,000	32,485
Total	4,491,000	46,299

Fixed Charges below include \$87,480 for Rentals and \$104,732 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 97.		
Operating Revenues	\$2,109,857	\$21,751
Operating Expenses	1,226,629	12,646
Net Operating Revenues	883,228	9,105
Other Income	5,493	57
Gross Corporate Income	888,721	9,162
Fixed Charges (including for Taxes, \$58,010)	405,422	4,180
Surplus	483,299	4,982

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$205,440	\$2,117
Maintenance of Equipment	269,259	2,777
Traffic Expenses	17,814	184
Transportation Expenses	681,823	7,029
General Expenses	52,288	539

Ratio of Operating Expenses to Operating Revenues 58.1 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..22.5%	26.3%	29.4%	27.0%	26.4%	25.0%	
For Traffic and Other Operat- ing Expenses	35.5%	39.4%	43.2%	40.0%	38.6%	36.9%
For Fixed Charges	19.2%	20.0%	19.9%	18.3%	20.5%	21.4%
For Surplus	22.8%	14.3%	7.5%	14.7%	14.5%	16.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	3,543,041	3,273,811	3,245,800	3,419,873
Passenger miles per mile of road....	46,218	63,266	66,781	19,773
Miles, yards and sidings	53	52	54	53

See Notes, page 257.

LEHIGH & NEW ENGLAND R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	132	\$326,433	\$15,106	1910-11	170	\$900,632	\$52,707
1905-6	137	565,109	19,682	1911-12	170	869,292	19,992
1906-7	163	686,277	17,831	1912-13	*269	1,793,785	358,184
1907-8	170	655,514	147,020	1913-14	*294	2,255,800	547,112
1908-9	170	777,061	112,384	1914-15	†296	2,646,662	692,947
1909-10	170	894,324	39,328	1915-16	†296	3,278,968	939,741

*Mileage at June 30. †Includes 96 miles of trackage. ‡Deficit.

*STOCK OUTSTANDING

June 30, 1916.

Common\$6,000,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$5,000,000

Equipment2,450,000

*Includes \$5,000,000 stock sold at par 1912-13 to 1914-15, to provide funds to retire bonds and unfunded debt and to acquire the Panther Creek R. R.

CAPITALIZATION

	Total	Per Mile
Stock	\$6,000,000	\$20,270
Bonds	7,450,000	25,169
Total	13,450,000	45,439

Fixed Charges below include \$111,863 for Rentals, \$79,847 for Hire of Freight Cars—Dr., \$4,597 Rent of Equipment and \$10,339 Amortization of Discount on Funded Debt

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 296.

	Total	Per Mile
Operating Revenues	\$3,278,968	\$11,077
Operating Expenses	1,758,037	5,939
Net Operating Revenues	1,520,931	5,138
Other Income (including \$4,078 Rent of Equipment) ..	41,161	139
Gross Corporate Income	1,562,092	5,277
Fixed Charges (including for Taxes, \$88,360)	622,351	2,102
Surplus	939,741	3,175

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$436,557	\$1,475
Maintenance of Equipment	386,352	1,305
Traffic Expenses	24,201	82
Transportation Expenses	839,055	2,834
General Expenses	71,872	243

Ratio of Operating Expenses to Operating Revenues 53.6 per cent.

Other Income above includes \$7,469 from Rentals, and \$27,618 Income from Unfunded Securities and Accounts.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	24.8%	26.8%	26.3%	25.2%	30.6%	25.0%
For Traffic and Other Operating Expenses	28.2%	27.8%	29.2%	28.4%	33.8%	33.1%
For Fixed Charges	18.8%	19.8%	20.4%	26.4%	36.8%	36.0%
For Surplus	28.2%	25.6%	24.1%	20.0%	Dfct.	5.9%
	100.0%	100.0%	100.0%	100.0%		100.0%

	1915-16	1914-15	1913-14	1912-13
Miles, second and additional main track	2	2	2	.....
Miles, yards and sidings	103	90	83	40

See Notes, page 258.

LEHIGH VALLEY R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	1,394	\$31,275,843	\$7,439,987	1910-11	1,432	\$37,687,403	\$8,500,007
1905-6	1,429	32,789,857	7,340,300	1911-12	1,441	36,905,935	6,813,020
1906-7	1,443	36,068,432	8,204,794	1912-13	1,451	43,043,372	8,761,828
1907-8	1,448	35,510,154	7,759,180	1913-14	1,440	39,783,564	7,056,660
1908-9	1,446	33,137,832	5,843,803	1914-15	1,444	42,525,962	6,322,445
1909-10	1,440	36,167,398	8,137,401	1915-16	*1,444	47,382,569	7,666,440

*Includes 44 miles of trackage.

STOCK OUTSTANDING

June 30, 1916.

Common	\$60,501,700
Preferred (10%)	106,300

*BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$129,030,000
Equipment	750,000
Real Estate	1,669

*Does not include \$15,056,000 Bonds and \$3,650,000 Equipment Certificates in Treasury; includes \$44,751,000 bonds of Leased Roads.

CAPITALIZATION

	Total	Per Mile
Stock	\$60,608,000	\$41,972
Bonds	129,781,669	89,876
Total	190,389,669	131,848

Fixed Charges below include \$2,142,583 for Rental of Leased Roads mostly representing interest on bonds (included above under bonds outstanding); also \$748,657 Other Rentals and \$1,040,279 Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 1,444.		Total	Per Mile
Operating Revenues		\$47,382,569	\$32,813
Operating Expenses		33,092,977	22,917
Net Operating Revenues		14,289,592	9,896
Other Income (including \$903,313 Dividend Income) ..		2,666,526	1,846
Gross Corporate Income		16,956,118	11,742
Fixed Charges (including for Taxes, \$1,706,093)		9,289,678	6,433
Surplus		7,666,440	5,309

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,657,854	\$3,225
Maintenance of Equipment	9,364,629	6,485
Traffic Expenses	996,249	690
Transportation Expenses	17,090,113	11,835
General Expenses	984,132	682

Ratio of Operating Expenses to Operating Revenues 69.8 per cent.

Other Income above includes \$254,531 from Rentals and \$431,190 Income from Funded Securities.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	28.1%	28.5%	27.2%	29.2%	26.3%	24.5%
For Traffic and Other Operating Expenses	38.1%	38.7%	37.6%	35.0%	37.0%	35.0%
For Fixed Charges	18.5%	18.6%	18.7%	16.5%	19.2%	18.9%
For Surplus	15.3%	14.2%	16.5%	19.3%	17.5%	21.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	4,149,412	3,689,820	3,624,158	4,005,862
Passenger miles per mile of road....	158,117	149,403	184,264	187,248
Miles, second and additional main track	741	739	740	733
Miles, yards and sidings	1,270	1,216	1,208	1,183

See Notes, page 258.

LONG ISLAND R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1902-3	392	\$6,440,992	\$305,588	1909	391	10,898,371	316,780
1903-4	392	6,835,848	*275,205	1910	399	9,779,116	*323,563
1904	392	7,083,807	*54,389	1911	399	10,517,751	*457,956
1905	392	7,824,986	22,529	1912	399	11,186,656	*282,690
1906	392	9,595,596	*28,359	1913	398	12,204,738	*977,985
1907	392	10,130,408	*858,829	1914	399	13,220,334	*494,131
1908	392	9,818,545	*276,083	1915	397	13,553,780	*161,150

*Deficit.

STOCK OUTSTANDING

	December 31, 1915.
Common	\$12,000,000

BONDS OUTSTANDING

	December 31, 1915.
Fixed Interest	\$54,666,488
Equipment	2,866,000
Real Estate	1,767,680
*Other	16,710,359

*Non-Negotiable debt to Affiliated Companies, viz.: Notes, \$14,141,286; Open Accounts, \$466,551 and Interest, \$2,102,522.

CAPITALIZATION

	Total	Per Mile
Stock	\$12,000,000	\$30,227
Bonds	75,810,527	190,960
Total	87,810,537	221,187
Fixed Charges below include \$1,324,577 for Rentals including Rent for Leased Roads and \$11,715 for Hire of Equipment—Dr.		
	\$664,265	

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 397.		
Operating Revenues (1916, \$14,971,839)	\$13,553,780	\$34,141
Operating Expenses (1916, \$9,927,208)	9,126,922	22,990
Net Operating Revenues (1916, \$5,044,631)	4,426,858	11,151
Other Income (including \$266,839 from Rentals)	733,625	1,843
Gross Corporate Income	5,160,483	12,999
Fixed Charges (including for Taxes, \$934,822)	5,321,633	13,404
Deficit (1916, Surplus, \$241,472)	161,150	406

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,529,223	\$3,852
Maintenance of Equipment	1,517,410	3,822
Traffic Expenses	128,898	325
Transportation Expenses	5,449,680	13,853
Miscellaneous Operations and General Expenses	451,711	1,138
Ratio of Operating Expenses to Operating Revenues 67.3 per cent.		

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses	21.3%	20.9%	23.1%	22.3%	22.8%	23.6%
For Traffic and Other Operating Expenses	42.6%	44.8%	41.7%	43.2%	45.6%	45.0%
For Fixed Charges	37.1%	37.9%	39.6%	36.8%	35.6%	34.4%
	Dfct.	Dfct.	Dfct.	Dfct.	Dfct.	Dfct.

	1915	1914	1913	1912
Ton miles per mile of road.....	271,894	257,771	236,294	255,379
Passenger miles per mile of road ..	1,535,386	1,519,595	1,489,660	1,383,728
Miles, second and additional main track	209	199	196	190
Miles, yards and sidings	457	234	233	229

See Notes, page 261.

MARYLAND & PENNSYLVANIA R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906	80	\$354,354	\$69,755	1911	80	\$441,296	\$56,948
1907	80	385,654	85,656	1912	80	474,559	59,859
1908	80	367,033	55,677	1913	80	531,087	14,650
1909	80	399,720	63,541	1914	80	524,081	14,433
1910	80	425,827	85,692	1915	80	480,084	13,749

STOCK OUTSTANDING

December 31, 1915.

*Common	\$1,602,500
Income Bonds (4%)	900,000

BONDS OUTSTANDING

December 31, 1915.

†Fixed Interest	\$1,099,450
Equipment	52,500
‡Notes due 1920.....	300,000

*Does not include \$1,000,000 stock held as Collateral for 10-Year Convertible Notes and \$997,500 stock in Treasury. †Does not include \$303,000 First Mortgage bonds in Treasury held by Trustee or used as Collateral for Call Loan. ‡Convertible into stock at 50% until July 1, 1923.

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$2,502,500	\$31,281
Bonds	1,451,950	18,149
Total	3,954,450	49,430

Fixed Charges below include \$11,242 for Rentals and \$19,212 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 80.		
Operating Revenues	\$480,084	\$6,001
Operating Expenses	350,816	4,385
Net Operating Revenues	129,268	1,616
Other Income	733	9
Gross Corporate Income	130,001	1,625
Fixed Charges	116,252	1,453
Surplus	13,749	172

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$79,146	\$989
Maintenance of Equipment	50,002	625
Traffic Expenses	6,674	83
Transportation Expenses	193,498	2,419
General Expenses	21,496	269

Ratio of Operating Expenses to Operating Revenues 73.1 per cent.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses	26.9%	28.2%	30.2%	27.5%	27.6%	23.6%
For Traffic and Other Operating Expenses	46.1%	45.7%	46.5%	42.0%	42.2%	42.1%
For Fixed Charges	24.2%	23.4%	20.6%	17.9%	17.4%	14.3%
For Surplus	2.8%	2.7%	2.7%	12.6%	12.8%	20.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Miles, yards and sidings	13	9	9	9

See Notes, page 262.

NEW YORK CENTRAL R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906	3,784	\$92,089,769	\$12,275,908	1911	3,790	\$103,954,863	\$15,304,449
1907	3,782	98,369,060	11,083,829	1912	3,791	109,900,015	13,879,837
1908	3,781	83,927,354	8,931,600	1913	3,753	116,904,304	13,243,558
1909	3,782	93,171,861	13,695,420	1914	3,774	112,741,051	8,688,672
1910	3,785	99,908,478	14,288,672	1915	*5,640	167,912,333	27,711,474

*On January 1, 1915, the New York Central & Hudson River R. R., the Lake Shore & Michigan Southern Ry., the Chicago, Indiana & Southern R. R. and several minor lines were consolidated as the New York Central R. R. This explains large increase in mileage, etc.

STOCK OUTSTANDING

December 31, 1915.

Common	\$249,590,460
Stock per mile of road operated	\$44,254

*Includes all bonds of the Lake Shore and other Consolidated Companies; includes also \$100,000,000 6% Debenture bonds due 1935 convertible into stock at 105, May 1, 1917 to April 30, 1925, inclusive.

See Notes regarding details as to Consolidation of New York Central, likewise regarding issue of \$25,000,000 new stock to stockholders at par.

Fixed Charges below include \$6,270,688 Rent for Leased Roads, and \$1,793,945 for Other Rental.

*BONDS OUTSTANDING

December 31, 1915.

Fixed Interest	\$635,211,400
Equipment	46,028,753
Miscellaneous	152,789

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 5,640.		Total	Per Mile
Operating Revenues		\$167,912,333	\$29,772
Operating Expenses		109,394,344	19,396
Net Operating Revenues		58,517,989	10,376
Other Income (including \$1,722 Misc. Operations)		16,630,593	2,949
Gross Corporate Income		75,148,582	13,325
Fixed Charges (including for Taxes, \$8,324,326)		47,437,108	8,411
Surplus		27,711,474	4,914

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$17,133,450	\$3,033
Maintenance of Equipment	31,628,858	5,608
Traffic Expenses	2,645,373	469
Transportation Expenses	51,879,176	9,198
Miscellaneous Operations and General Expenses	6,107,488	1,083

Ratio of Operating Expenses to Operating Revenues 65.1 per cent.

Other Income above includes \$3,587,449 from Rentals, \$72,702 Hire of Equipment—Cr., \$6,961,516 Dividend Income, \$3,650,025 Income from Funded and Unfunded Securities and Accounts and \$1,875,608 Separately Operated Properties—profit.

*APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses	26.4%	26.9%	29.6%	27.5%	25.4%	26.9%
For Traffic and Other Operating Expenses	32.9%	38.3%	36.2%	36.0%	36.4%	37.3%
For Fixed Charges	25.7%	27.9%	24.3%	25.7%	25.5%	23.4%
For Surplus	15.0%	6.9%	9.9%	10.8%	12.7%	12.4%

100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

*New York Central R. R. for 1915; N. Y. C. & H. R. R. for previous year.

	1915	1914	1913	1912
Ton miles per mile of road	3,140,643	2,632,716	3,013,931	2,753,318
Passenger miles per mile of road	418,161	538,066	581,104	536,016
Miles, second etc. main track	3,618	2,430	2,427	2,374
Miles, yards and sidings	4,562	3,252	3,202	3,062

See Notes, page 262.

NEW YORK, ONTARIO & WESTERN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	548	\$6,176,518	\$860,972	1909-10	566	\$8,578,783	\$1,312,797
1903-4	548	6,652,484	886,829	1910-11	566	9,295,702	1,142,936
1904-5	548	7,090,889	1,281,277	1911-12	566	8,527,944	473,729
1905-6	546	7,265,058	1,187,501	1912-13	566	9,454,349	1,211,633
1906-7	546	8,202,360	1,654,782	1913-14	568	9,040,012	663,692
1907-8	546	8,121,494	1,520,589	1914-15	*568	8,926,946	612,507
1908-9	546	8,290,170	1,343,127	1915-16	*568	8,942,252	983,878

*Includes 55 miles trackage.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$58,113,983
Preferred	4,000

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$28,630,000
Equipment	1,498,000

CAPITALIZATION

	Total	Per Mile
Stock	\$58,117,983	\$102,320
Bonds	30,128,000	53,042
Total	88,245,983	155,362
Fixed Charges below include \$270,727 for Rentals, \$178,433 for Hire of Freight Car—Dr., \$17,699 Rent of Other Equipment and \$11,055 Amortization of Discount on Funded Debt.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 568.		Total	Per Mile
Operating Revenues		\$8,942,252	\$15,743
Operating Expenses		6,202,922	10,921
Net Operating Revenues		2,739,330	4,822
Other Income (including \$26,933 Rent of Equipment) .		188,225	332
Gross Corporate Income		2,927,555	5,154
Fixed Charges (including for Taxes, \$259,923)		1,943,677	3,422
Surplus		983,878	1,732

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,055,019	\$1,858
Maintenance of Equipment	1,391,248	2,449
Traffic Expenses	93,119	164
Transportation Expenses (incl. \$168,696 Water Lines) ..	3,460,087	6,092
General Expenses	203,449	358
Ratio of Operating Expenses to Operating Revenues 68.3 per cent.		
Other Income above includes \$22,712 from Rentals.		

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	26.8%	30.0%	30.7%	27.9%	31.5%	26.7%
For Traffic and Other Operating Expenses	41.1%	41.8%	41.7%	39.3%	41.7%	40.8%
For Fixed Charges	21.3%	21.5%	20.4%	20.3%	21.5%	20.7%
For Surplus	10.8%	6.7%	7.2%	12.5%	5.3%	11.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road.....	1,446,695	1,515,398	1,545,437	1,649,803
Passenger miles per mile of road ..	123,206	129,580	152,627	154,427
Miles, second and additional main track	207	207	207	207
Miles, yards and sidings	279	276	274	273

See Notes, page 270.

NEW YORK, PHILADELPHIA & NORFOLK R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1908	*147	\$2,681,672	\$601,556	1912	*147	\$3,566,191	\$595,475
1909	*147	3,163,265	760,923	1913	*147	3,931,218	483,782
1910	*147	3,466,617	763,459	1914	*147	3,743,272	407,607
1911	*147	3,326,455	509,057	1915	*147	4,154,985	686,196

*Includes 36 miles of water routes.

STOCK OUTSTANDING

December 31, 1915.

Common	\$2,500,000
Income Bonds (4%)	1,000,000

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest	\$2,600,000
Equipment	700,000

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$3,500,000	\$23.810
Bonds	3,300,000	22.449
Total	6,800,000	46.259

Fixed Charges below include \$3,277 for Rentals, \$91,192 for Hire of Equipment—Dr., and \$40,000 Interest (4%) on Income Bonds

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 147.	Total	Per Mile
Operating Revenues (1916, \$5,194,159)	\$4,154,985	\$28.265
Operating Expenses (1916, \$3,443,073)	3,141,199	21.369
Net Operating Revenues (1916, \$1,751,086)	1,013,786	6.896
Other Income (including \$4,645 from Rentals)	65,259	.444
Gross Corporate Income	1,079,045	7.340
Fixed Charges (including for Taxes, \$120,052)	390,849	2.658
*Surplus	688,196	4.682

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$382,251	\$2.600
Maintenance of Equipment	863,730	5.876
Traffic Expenses	56,800	.386
Transportation Expenses	1,656,800	11.271
General Expenses	181,618	1.236

Ratio of Operating Expenses to Operating Revenues 75.6 per cent.

*This Surplus before deducting \$52,953 Appropriations for Sinking and Other Reserve Funds.

Other Income above includes \$52,953 Income from Sinking and Other Reserve Funds.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses ..	29.5%	28.7%	27.6%	25.2%	29.9%	26.7%
For Traffic and Other Operating Expenses	44.9%	50.5%	49.3%	46.9%	45.0%	41.9%
For Fixed Charges	9.3%	10.1%	11.0%	11.4%	9.9%	9.5%
For Surplus	16.3%	10.7%	12.1%	16.5%	15.2%	21.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	2,947,537	2,622,662	2,967,000	2,592,565
Passenger miles per mile of road	132,888	154,480	156,065	144,185
Miles, second and additional main track	..	..	60	56
Miles, yards and sidings	..	..	89	79

See Notes, page 270.

NEW YORK, SUSQUEHANNA & WESTERN R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1901-2	238	\$2,583,928	\$221,359	1908-9	236	\$3,176,096	\$120,187
1902-3	238	2,626,554	327,747	1909-10	236	3,356,043	189,754
1903-4	238	2,585,701	243,248	1910-11	236	3,668,714	534,537
1904-5	238	2,664,084	92,515	1911-12	239	3,503,948	172,895
1905-6	238	2,671,503	†24,333	1912-13	239	3,590,070	208,096
1906-7	236	3,017,049	3,238	1913-14	225	3,738,889	230,383
1907-8	236	3,165,164	†84,306	*1915	225	4,101,036	429,766

*The fiscal year has been changed to the calendar year. For the six months July 1 to December 31, 1914, the N. Y., S. & W. R. R. reported: Operating Revenues, \$1,906,029; Operating Expenses, \$1,825,422; Net Operating Revenues, \$580,607; Surplus, \$143,934. †Deficit.

STOCK OUTSTANDING

December 31, 1915.

Common	\$13,000,000
Preferred (4%)	13,000,000

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest	\$15,433,500
Equipment	800,000

CAPITALIZATION

	Total	Per Mile
Stock	\$26,000,000	\$115,556
Bonds	16,233,500	72,148
Total	42,233,500	187,704
Fixed Charges below include \$101,259 for Rentals, \$135,931 Hire of Freight Cars (balance), \$36,814 Rent for Equipment.		

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 225.		
Operating Revenues	\$4,107,036	\$18,253
Operating Expenses	2,611,638	11,607
Net Operating Revenues	1,495,398	6,646
Other Income (including \$6,229 Rent of Equipment) ..	183,008	813
Gross Corporate Income	1,678,406	7,459
Fixed Charges (including for Taxes, \$163,656)	1,248,640	5,549
*Surplus	429,766	1,910

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$352,010	\$1,564
Maintenance of Equipment	453,993	2,018
Traffic Expenses	38,571	171
Transportation Expenses	1,683,164	7,481
General Expenses	83,900	373

Ratio of Operating Expenses to Operating Revenues 63.6 per cent.

*This Surplus before deducting \$105,507 for Additions and Betterments.

Other Income above includes \$133,861 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses ..	18.8%	21.8%	21.9%	20.3%	19.7%	22.5%
For Traffic and Other Operating Expenses	42.1%	40.4%	41.4%	40.1%	36.7%	37.7%
For Fixed Charges	29.1%	32.1%	31.2%	34.9%	29.7%	34.3%
For Surplus	10.0%	5.7%	5.5%	4.7%	13.9%	5.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1913-14	1912-13	1911-12
Miles, second and additional main track	30	30	30	30
Miles, yards and sidings	128	126	124	120

See Notes, page 271.

PENNSYLVANIA R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902	3,638	\$112,663,330	\$25,313,436	1909	3,947	\$153,564,527	\$35,159,088
1903	3,656	122,626,419	24,821,892	1910	3,977	160,457,298	37,775,484
1904	3,820	118,145,270	24,741,628	1911	4,018	157,487,413	37,318,351
1905	3,839	133,921,992	30,102,517	1912	4,025	174,607,598	42,153,964
1906	3,897	148,239,882	35,674,301	1913	4,044	185,400,825	41,920,833
1907	3,903	164,812,826	33,575,056	1914	*4,512	187,251,851	34,090,765
1908	3,980	136,296,871	28,207,661	1915	*4,541	196,628,170	42,425,322

Note—The figures given above are as stated in the annual reports for the years mentioned. Since the publication of these reports the Company's statements have in a few instances been somewhat revised for the sake of comparison. No changes have been made above.

*Includes Northern Central R. R. merged July 1, 1914.

STOCK OUTSTANDING

December 31, 1915.	
Common	\$499,203,700
Stock per mile of road operated	\$109,932

Fixed Charges below include \$8,574,860 Rent for Leased Roads, \$1,795,609 for Other Rental and \$1,325,955 Hire of Equipment—Dr.

BONDS OUTSTANDING

December 31, 1915.	
Fixed Interest	\$222,071,230
Equipment	17,583,017
Guaranteed Stock	14,048,000
Real Estate	2,313,160

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 4,541.		
Operating Revenues (1916, \$230,278,533)	\$196,628,170	\$43,301
Operating Expenses (1916, \$166,164,582)	142,736,561	31,433
Net Operating Revenues (1916, \$64,113,951)	53,891,609	11,868
Other Income (1916, \$23,164,885)	20,375,321	4,487
Gross Corporate Income	74,266,930	16,355
Fixed Charges (including for Taxes, \$7,594,404)	31,841,608	7,012
*Surplus	42,425,322	9,343

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (1916, \$28,819,322)	\$25,328,513	\$5,578
Maintenance of Equipment (1916, \$45,805,126)	38,641,078	8,510
Traffic Expenses	2,386,064	525
Transportation Expenses	68,650,005	15,118
Miscellaneous Operations and General Expenses	7,730,901	1,702

Ratio of Operating Expenses to Operating Revenues 72.6 per cent.

*This Surplus before deducting \$7,286,850 for Additions and Betterments, \$3,239,913 Construction Expenses on Leased and Branch Roads directly operated and \$1,946,341 Income applied to Sinking and Other Reserve Funds.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses	29.5%	30.5%	30.7%	29.5%	28.0%	28.9%
For Traffic and Other Operating Expenses	36.3%	40.3%	36.6%	35.8%	36.8%	35.6%
For Fixed Charges	14.7%	12.5%	12.2%	13.0%	13.8%	14.3%
For Surplus	19.5%	16.7%	20.5%	21.7%	21.4%	21.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Ton miles per mile of road	5,031,834	4,899,285	5,759,586	5,469,201		
Passenger miles per mile of road ..	414,235	447,146	488,723	456,753		
Miles, second and additional main track	2,423	2,410	2,228	2,212		
Miles, yards and sidings	4,187	4,153	3,774	3,690		

See Notes, page 271.

PENNSYLVANIA CO.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904	1,526	\$36,390,582	\$5,187,930	1910	1,416	\$54,170,874	\$11,342,149
1905	1,389	40,596,439	*6,054,431	1911	1,416	50,110,590	11,429,981
1906	1,411	46,036,806	*8,933,888	1912	†1,751	62,950,425	12,702,639
1907	1,414	51,337,433	*9,896,487	1913	†1,750	65,835,378	9,793,102
1908	1,416	39,423,796	*9,080,010	1914	†1,757	54,698,327	4,728,072
1909	1,416	48,631,988	*10,881,667	1915	†1,758	60,857,677	*9,704,347

*Surplus before deducting Appropriations to Sinking Funds.

†Includes Cleveland, Akron & Columbus Ry.

STOCK OUTSTANDING

December 31, 1915.	
Common	\$80,000,000
Per mile of road operated	\$45,532

BONDS OUTSTANDING

December 31, 1915.	
*Fixed Interest	\$121,698,544
Equipment	6,131,678

*Does not include \$33,855,275 bonds held by Company.

Fixed Charges below include \$10,313,068 Rent for Leased Roads, \$642,291 for Other Rentals and \$194,487 Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 1,758.	Total	Per Mile
Operating Revenues (1916, \$75,569,026)	\$60,857,677	\$34,617
Operating Expenses (1916, \$51,131,323)	41,097,778	23,378
Net Operating Revenues (1916, \$24,437,703)	19,759,899	11,239
Other Income (including \$433,717 from Rentals)	10,247,424	5,829
Gross Corporate Income (1916, \$32,601,663)	30,007,323	17,068
Fixed Charges (including for Taxes, \$3,233,108)	20,302,976	11,548
*Surplus	9,704,347	5,520

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (1916, \$8,988,306)	\$7,848,268	\$4,464
Maintenance of Equipment (1916, \$13,088,372)	10,351,509	5,888
Traffic Expenses	909,367	518
Transportation Expenses	20,196,113	11,488
General Expenses	1,792,521	1,020

Ratio of Operating Expenses to Operating Revenues 67.5 per cent.

*This Surplus before deducting \$2,969,723 for Additions and Betterments and \$1,934,624 applied to Sinking and Other Reserve Funds.

Other Income above includes \$8,130,113 Dividend Income and \$1,566,221 Income from Securities, Account and Sinking Funds.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911
For Maintenance Expenses	25.6%	27.4%	29.4%	26.8%	23.5%
For Traffic and Other Operating Expenses	32.2%	35.9%	34.5%	31.3%	30.5%
For Fixed Charges	28.6%	29.5%	23.7%	25.4%	28.0%
For Surplus	13.6%	7.2%	12.4%	16.5%	18.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	4,142,809	3,803,575	4,975,615	4,742,271
Passenger miles per mile of road ..	273,894	278,461	295,437	280,467
Miles, second and additional main track	917	917	929	898
Miles, yards and sidings	1,690	1,661	1,625	1,580

See Notes, page 276.

PHILADELPHIA, BALTIMORE & WASHINGTON R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904	708	\$13,603,863	\$2,120,079	1910	713	\$19,021,707	\$2,231,159
1905	706	14,676,204	2,653,765	1911	713	18,914,244	2,281,315
1906	706	15,941,241	2,782,552	1912	713	20,289,042	2,023,179
1907	715	17,255,572	1,988,876	1913	717	21,164,341	1,375,783
1908	716	16,126,570	1,456,559	1914	717	20,357,563	1,229,153
1909	717	17,543,373	2,127,799	1915	717	21,311,137	2,147,173

STOCK OUTSTANDING

December 31, 1915.	
Common	\$25,138,925

BONDS OUTSTANDING

December 31, 1915.	
Fixed Interest	\$24,500,000
Equipment	27,663
Real Estate	424,527
*Notes	4,900,000

*Non-negotiable Debt to Other Companies.

CAPITALIZATION

	Total	Per Mile
Stock	\$25,138,925	\$35,061
Bonds	29,852,190	41,635
Total	54,991,115	76,696
Fixed Charges below include \$1,477,004 for Rentals and \$654,341 Hire of Equipment—Dr.		

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 717.		Total	Per Mile
Operating Revenues (1916, \$25,546,425)		\$21,311,137	\$29,723
Operating Expenses (1916, \$18,660,234)		16,446,222	22,938
Net Operating Revenues (1916, \$6,886,141)		4,864,915	6,785
Other Income (including \$349,697 from Rentals)		1,364,687	1,903
Gross Corporate Income		6,229,602	8,688
Fixed Charges (including for Taxes, \$647,576)		4,082,429	5,694
*Surplus (1916, \$4,065,399)		2,147,173	2,994

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$3,025,635	\$4,220
Maintenance of Equipment	4,032,398	5,624
Traffic Expenses	320,805	448
Transportation Expenses	8,458,592	11,797
Miscellaneous Operations and General Expenses	608,792	849

Ratio of Operating Expenses to Operating Revenues, 77.2 per cent.

*This Surplus before deducting \$909,203 Income appropriated for Investment in Physical Property and \$87,123 Fixed Charges of Branch Lines Directly Operated.

Other Income above includes \$983,326 Dividend Income.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses....	31.1%	31.6%	32.9%	30.7%	28.7%	30.7%
For Traffic and Other Operating Expenses	41.4%	44.7%	44.8%	43.7%	43.7%	42.3%
For Fixed Charges	18.0%	18.0%	16.2%	16.3%	16.1%	15.9%
For Surplus	9.5%	5.7%	6.1%	9.3%	11.5%	11.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road.....	1,755,811	1,650,172	1,765,390	1,657,226
Passenger miles per mile of road	557,395	605,329	623,535	583,845
Miles, second and additional main track	360	360	362	349
Miles, yards and sidings	379	384	380	363

See Notes, page 279.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902	185	\$10,098,707	\$1,372,169	1909	191	\$14,838,948	\$7,615,598
1903	191	11,283,045	1,631,469	1910	191	17,052,698	8,189,907
1904	191	10,035,510	1,472,889	1911	215	15,308,561	6,098,561
1905	191	12,837,736	†6,453,634	1912	223	18,162,118	7,323,092
1906	191	14,481,495	7,418,437	1913	224	19,597,919	6,833,737
1907	191	14,904,401	7,043,513	1914	224	15,597,365	4,083,419
1908	191	10,382,620	4,083,799	1915	*225	18,196,068	7,568,779

See Notes, page 280.

READING CO.

Avg. Miles				Avg. Miles			
Year	Oper.	*Gross	†Surplus	Year	Oper.	*Gross	†Surplus
1908-9	1,024	\$39,060,234	\$12,019,842	1912-13	1,020	\$50,562,717	\$18,732,508
1909-10	1,022	44,214,915	12,909,599	1913-14	1,120	47,123,370	12,161,114
1910-11	1,014	44,365,442	12,428,304	1914-15	1,129	46,714,822	11,022,236
1911-12	1,015	44,476,525	11,551,697	1915-16	1,127	57,298,393	19,258,365

*Transportation Revenues—Railway.

†Total for Railway, Coal Co. and Reading Co.

STOCK OUTSTANDING

June 30, 1916.

Common	\$70,000,000
Preferred 1st (4%)	28,000,000
Preferred 2d (4%)	42,000,000

*Includes only bonds outstanding in the hands of the public. Does not include bonds owned as follows: by the Reading Co.; \$20,000,000 Purchase Money Loan of Ry. Co.; \$6,931,000 General Mortgage bonds and Equipment Certificates; and \$1,200,000 Purchase Money bonds of the Reading Co. and by the P. & R. Ry. Co.; \$2,092,000 of its own bonds. The Fixed Charges below do not include \$1,200,000 and \$2,830,364 respectively paid by the P. & R. Ry. to the Reading Co. for interest on \$20,000,000 Purchase Money Loan and for Rent of Equipment. Other Income below likewise does not include these sums. On June 30, 1916, the P. & R. C. & I. Co. owed the Reading Co. \$71,603,135 on capital account.

*BONDS OUTSTANDING

June 30, 1916.

Reading Co.	\$119,281,809
P. & R. Ry.	27,733,804
P. & R. Coal & Iron Co.	990,000

	Total	Per Mile
Stock	\$140,000,000	\$124,224
Bonds	148,005,613	131,327
Total	288,005,613	255,551

Fixed Charges below include \$5,550,392 Fixed Charges and Expenses of Reading Co., \$6,645,707 Fixed Charges P. & R. Ry., including \$2,860,623 for Rent of Leased Roads and \$846,045 Hire of Equipment—Dr., and \$578,783 Fixed Charges P. & R. Coal & Iron Co.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,127.		
Operating Revenues (P. & R. Ry.)	\$57,298,393	\$50,841
Operating Expenses (P. & R. Ry.)	33,359,659	29,627
Net Operating Revenues (P. & R. Ry.)	23,908,734	21,214
Other Income (see below)	8,124,513	7,209
Gross Corporate Income (All Companies)	32,033,247	28,423
Fixed Charges	12,774,882	11,335
*Surplus (All Companies)	19,258,365	17,088

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,019,699	\$3,567
Maintenance of Equipment	8,829,256	7,834
Traffic Expenses	574,003	509
Transportation Expenses	18,875,748	16,749
Miscellaneous Operations and General Expenses	1,090,952	968

Ratio of Operating Expenses to Operating Revenues 58.3 per cent.

*This Surplus before deducting \$426,892 General Mortgage Sinking Fund, \$995,660 Additions and Betterments Railway and \$709,345 Improvements at Collieries, etc.

Other Income above includes \$2,568,176 Operating Profit of P. & R. Coal & Iron Co. before deducting Fixed Charges and improvements at Collieries as above.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	19.6%	24.4%	25.4%	22.1%	24.9%	23.9%
For Traffic and Other Operating Expenses	31.5%	33.8%	32.1%	29.4%	31.9%	30.6%
For Fixed Charges	19.5%	21.2%	20.5%	16.9%	20.1%	21.0%
For Surplus	29.4%	20.6%	22.0%	31.6%	23.1%	24.5%

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
Ton miles per mile of road	5,804,466	4,313,206	4,556,013	5,353,447		
Passenger miles per mile of road	316,687	321,846	363,165	402,731		
Miles, second and additional main track	645	644	639	623		
Miles, yards and sidings	1,106	1,081	1,075	1,156		

See Notes, page 281.

Avg. Miles

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	129	\$822,836	\$30,535	1910-11	129	\$1,122,929	\$56,119
1905-6	129	913,837	99,248	1911-12	129	1,061,015	65,085
1906-7	129	888,770	49,003	1912-13	129	1,138,053	72,701
1907-8	129	936,698	1,652	1913-14	129	1,076,217	23,620
1908-9	129	1,024,439	101,300	1914-15	129	1,033,734	*58,874
1909-10	129	1,139,253	137,196	1915-16	129	1,025,638	150,690
*Deficit.							

BONDS OUTSTANDING

June 30, 1916.

Common	\$1,900,000	Fixed Interest	\$3,000,000
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	Total	Per Mile
1. Fuel	10.00	1.00
2. Oil	2.00	0.20
3. Grease	1.00	0.10
4. Labor	15.00	1.50
5. Tires	5.00	0.50
6. Repairs	3.00	0.30
7. Miscellaneous	2.00	0.20
8. Total	38.00	3.80

	Total	Per Mile
Stock	\$1,900,000	\$14,729
Bonds	3,000,000	23,256
Total	4,900,000	37,985
Fixed Charges below include \$1.171 for Rentals, \$46.903 for Hire of Freight Cars and \$10.241 Rent for Passenger Train Cars.		

miles operated. 129.

Average miles operated, 129.	Total	Per Mile
Operating Revenues	\$1,025,638	\$7,951
Operating Expenses	707,160	5.482
Net Operating Revenues	318,478	2,469
Other Income (including \$3,151 from Rentals)	79,959	620
Gross Corporate Income	398,437	3,089
Fixed Charges (including for Taxes, \$48,708)	247,747	1,921
Surplus	150,690	1,168

	Total	Per Mile
1. Fuel	10.00	1.00
2. Oil	2.00	0.20
3. Labor	15.00	1.50
4. Maintenance	5.00	0.50
5. Tolls	1.00	0.10
6. Insurance	3.00	0.30
7. Depreciation	12.00	1.20
8. Miscellaneous	2.00	0.20
Total	40.00	4.00

	Total	Per Mile
Maintenance of Way	\$106,238	\$824
Maintenance of Equipment	122,902	953
Traffic Expenses	21,212	164
Transportation Expenses	411,284	3,188
General Expenses	45,524	353
Other Income above includes \$62,950 Income from Funded Securities and \$8,238 from Hire of Equipment.		

1915-16 1914-15 1913-14 1912-13 1911-12 1910-11

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	20.8%	34.5%	26.1%	26.1%	26.9%	28.6%
For Traffic and Other Operat- ing Expenses	43.2%	48.5%	49.2%	46.2%	45.3%	45.4%
For Fixed Charges	22.4%	22.5%	22.6%	21.3%	21.7%	21.0%
For Surplus	13.6%	Deficit	2.1%	6.4%	6.1%	5.0%
	100.0%		100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	329,684	370,065	376,277	433,409
Passenger miles per mile of road	90,612	102,360	109,246	117,531
Miles, yards and sidings .....	.....	.....	34	31

See Notes, page 284.

WEST JERSEY & SEASHORE R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904	321	\$4,307,597	\$687,861	1910	353	\$5,981,673	\$732,838
1905	322	4,652,405	967,202	1911	356	6,247,667	709,934
1906	358	5,206,284	797,648	1912	356	6,395,256	887,880
1907	363	5,654,904	655,194	1913	356	6,405,787	473,394
1908	356	5,114,889	527,184	1914	356	6,472,599	555,959
1909	356	5,542,101	811,124	1915	*358	6,942,485	574,784

*Includes 34 miles of trackage.

STOCK OUTSTANDING

December 31, 1915.	
Common	\$9,641,600
Guaranteed	83,550
Other	22,155

BONDS OUTSTANDING

December 31, 1915.	
Fixed Interest	\$6,280,000
Equipment	4,025
Real Estate	46,300
*Other	1,984,000

*Non-negotiable Debt to Affiliated Companies.

CAPITALIZATION

	Total	Per Mile
Stock	\$9,747,305	\$27,227
Bonds	8,314,325	23,224
Total	18,061,630	50,451

Fixed Charges below include \$205,624 for Rentals and \$73,781 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 358.		
Operating Revenues (1916, \$7,829,320)	\$6,942,485	\$19,392
Operating Expenses (1916, \$5,957,483)	5,435,685	15,183
Net Operating Revenues (1916, \$1,871,837)	1,506,800	4,209
Other Income (including \$106,474 from Rentals)	134,201	375
Gross Corporate Income	1,641,001	4,584
Fixed Charges (including for Taxes, \$419,758)	1,066,217	2,978
*Surplus	574,784	1,606

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,218,221	\$3,403
Maintenance of Equipment	1,033,443	2,886
Traffic Expenses	146,797	410
Transportation Expenses	2,828,592	7,901
General Expenses	208,632	583

Ratio of Operating Expenses to Operating Revenues 78.3 per cent.

*This Surplus before deducting \$85,862 Income applied to Sinking and Other Reserve Funds.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses ..	31.8%	30.3%	31.3%	28.6%	29.7%	29.4%
For Traffic and Other Operat- ing Expenses	45.0%	47.3%	47.1%	44.6%	45.8%	45.5%
For Fixed Charges	15.1%	14.1%	14.4%	13.5%	13.3%	13.0%
For Surplus	8.1%	8.3%	7.2%	13.3%	11.2%	12.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	312,764	262,082	276,145	283,873
Passenger miles per mile of road ...	788,588	815,345	839,325	819,824
Miles, second and additional main track	138	138	138	138
Miles, yards and sidings	120	119	118	115

See Notes, page 285.

ANN ARBOR R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	292	\$1,922,593	\$266,299	1910-11	292	\$1,934,616	\$163,146
1905-6	292	2,175,231	430,705	1911-12	292	2,120,335	180,284
1906-7	296	2,182,518	377,473	1912-13	292	2,084,696	153,802
1907-8	296	1,882,782	60,396	1913-14	292	2,096,169	80,994
1908-9	301	1,708,481	22,244	1914-15	292	*2,310,902	100,757
1909-10	292	1,856,160	90,292	1915-16	292	*2,684,309	335,888

*Outside Operations included.

STOCK OUTSTANDING

June 30, 1916.

Common	\$3,250,000
Preferred (5%)	4,000,000

*\$132,000 in Treasury or Pledged; and Extension Mortgage 5% Bonds. 1916, \$115,500.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$7,000,000
Equipment	512,181
*Notes 6% due 1919	618,000
Other	1,277

Secured by \$1,500,000 Improvement Loans and Bills Payable, June 30,

CAPITALIZATION

	Total	Per Mile
Stock	\$7,250,000	\$24,829
Bonds	8,131,458	27,847
Total	15,381,458	52,676

Fixed Charges below include \$55,305 for Hire of Freight Cars and \$8,262 for Hire of Other Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 292.		
Operating Revenues	\$2,684,309	\$9,193
*Operating Expenses	1,792,641	6,139
Net Operating Revenues	891,668	3,054
Other Income (including \$27,526 from Rentals)	34,926	120
Gross Corporate Income	926,594	3,174
Fixed Charges (including for Taxes, \$159,764)	590,706	2,023
Surplus	335,888	1,151

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$241,835	\$828
*Maintenance of Equipment	379,899	1,301
Traffic Expenses	966,136	3,309
Transportation Expenses	58,871	202
Miscellaneous Operations and General Expenses	145,900	500

Ratio of Operating Expenses to Operating Revenues 68.1 per cent.

*Not including \$35,828 Charges on Account of Equipment Retired, deducted from Surplus.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	22.9%	23.9%	24.1%	25.8%	21.9%	25.4%
For Traffic and Other Operating Expenses	43.1%	46.3%	44.5%	41.1%	43.5%	40.3%
For Fixed Charges	21.7%	25.5%	27.6%	25.9%	26.3%	26.1%
For Surplus	12.3%	4.3%	3.8%	7.2%	8.3%	8.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,187,110	934,045	952,095	957,819
Passenger miles per mile of road	94,518	88,578	101,570	103,253
Miles, yards and sidings	122	109	108	.....

See Notes, page 286.

CHICAGO & ALTON R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	915	\$11,797,314	\$1,602,385	1910-11	1,025	\$14,592,519	\$157,474
1905-6	970	11,586,094	1,009,980	1911-12	1,026	14,535,722	†303,722
1906-7	970	12,809,426	1,827,561	1912-13	1,026	15,254,865	†1,883,291
1907-8	994	12,087,735	1,320,912	1913-14	1,033	14,156,275	†2,762,290
1908-9	998	12,500,682	1,666,261	1914-15	1,050	14,245,624	†1,690,156
1909-10	998	13,353,475	1,071,988	1915-16	*1,052	16,325,288	†171,573

*Includes 37 miles of trackage. †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$19,542,800
Preferred (4%)	19,544,000
*Preferred (4%)	868,700

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest	\$85,920,000
Equipment	847,000
Guaranteed Stocks	3,633,200
Other	32,615

*Cumulative; "Prior Lien and Participating Preferred Stock."

†Includes \$16,834,000 General Mortgage 6% bonds due 1932, issued 1912-13 to 1914-15.

Loans and Bills Payable, June 30, 1916, \$2,657,040.

CAPITALIZATION

	Total	Per Mile
Stock	\$39,955,500	\$37,981
Bonds	90,492,815	86,019
Total	130,448,315	124,000

Fixed Charges below include \$396,537 for Rentals, \$419,880 for Hire of Equipment, \$250,024 Guaranteed Dividends and Interest on Securities of Subsidiary Companies, and \$109,949 Amortization of Discount on Funded Debt.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,052.		
Operating Revenues	\$16,325,288	\$15,518
Operating Expenses	11,601,794	11,023
Net Operating Revenues	4,723,494	4,490
Other Income (including \$209,104 from Rentals)	254,182	242
Gross Corporate Income	4,977,676	4,732
Fixed Charges (including for Taxes, \$566,839)	5,149,254	4,895
Deficit	171,578	163

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,849,002	\$1,758
Maintenance of Equipment	3,421,351	3,252
Traffic Expenses	430,104	409
Transportation Expenses	*5,414,097	5,146
General Expenses	487,241	463

Ratio of Operating Expenses to Operating Revenues 71.1 per cent.

*After deduction \$66,821 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	31.8%	34.7%	39.3%	38.7%	31.6%	28.3%
For Traffic and Other Operating Expenses	38.2%	42.5%	46.1%	45.2%	43.3%	43.2%
For Fixed Charges	31.1%	34.6%	34.0%	28.4%	27.2%	27.4%
For Surplus	Deficit	Deficit	Deficit	Deficit	Deficit	1.1%

100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,865,451	1,367,001	1,417,882	1,722,506
Passenger miles per mile of road	194,227	188,805	211,581	209,952
Miles, second and additional main track	256	256	195	195
Miles, yards and sidings	450	449	441	418

See Notes, page 287.

CHICAGO & EASTERN ILLINOIS R. R.

Receivers appointed May 27, 1913.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	880	\$8,423,378	\$780,466	1910-11	*1,275	\$14,880,409	\$1,541,767
1905-6	948	9,928,563	1,144,958	1911-12	*1,275	15,215,513	1,057,799
1906-7	948	11,337,714	1,670,168	1912-13	*1,275	16,214,972	+449,366
1907-8	957	10,742,731	1,136,228	1913-14	*1,283	15,544,286	+1,525,892
1908-9	966	10,269,619	695,171	1914-15	*1,282	14,210,602	+1,844,497
1909-10	966	11,750,356	1,175,790	1915-16	1,234	16,698,404	86,579

*Includes Evansville Terre Haute R. R. (310 miles) merged, and 159 miles of trackage 1914-15). †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$7,217,800
Preferred (6%)	1,070,400
Other	14,552

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$58,379,150
Equipment	4,302,000
Receiver's Certificates ...	6,200,000

CAPITALIZATION

	Total	Per Mile
Stock	\$18,302,752	\$14,832
Bonds	68,879,150	55,817
Total	87,181,902	70,649

Fixed Charges below include \$801,130 for Rentals, \$2,837,019 Interest Accrued on bonds, etc., but not paid and \$13,628 loss, Separately Operated Properties.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,234.		
Operating Revenues	\$16,698,404	\$13,532
Operating Expenses	12,680,319	10,276
Net Operating Revenues	4,018,085	3,256
Other Income (including \$308,427 from Rentals)	1,077,501	873
Gross Corporate Income	5,095,586	4,129
Fixed Charges (including for Taxes, \$703,457)	5,009,007	4,059
Surplus	86,579	70

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,284,191	\$1,851
Maintenance of Equipment	3,849,471	3,119
Traffic Expenses	302,563	245
Transportation Expenses	5,693,140	4,614
General Expenses	550,955	447

Ratio of Operating Expenses to Operating Revenues 75.9 per cent.

Other Income above includes \$594,107 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	34.5%	36.7%	37.8%	33.9%	26.4%	24.5%
For Traffic and Other Operating Expenses	36.8%	41.8%	40.0%	40.5%	41.4%	39.4%
For Fixed Charges	23.2%	34.0%	31.3%	28.2%	25.6%	26.3%
For Surplus	0.5%	Deficit	Deficit	Deficit	6.6%	9.8%
	100.0%				100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road.....	1,901,203	1,522,213	1,724,429	1,824,851
Passenger miles per mile of road	125,753	116,696	129,773	131,630
Miles, second and additional main track	335	335	210	210
Miles, yards and sidings	685	720	712	674

See Notes, page 288.

CHICAGO & NORTHWESTERN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	7,408	\$55,745,275	\$10,417,822	1910-11	7,719	\$74,918,186	\$12,603,100
1905-6	7,429	63,481,577	14,800,552	1911-12	7,859	73,698,591	11,467,330
1906-7	7,551	63,878,931	15,740,566	1912-13	7,974	83,035,921	14,875,013
1907-8	7,631	63,219,344	13,638,691	1913-14	8,071	83,677,051	12,306,142
1908-9	7,635	65,978,471	13,935,294	1914-15	8,108	80,779,675	11,914,049
1909-10	7,629	74,175,685	12,298,497	1915-16	8,108	91,313,866	17,282,510

*STOCK OUTSTANDING

June 30, 1916.

Common	\$130,117,029
†Preferred (7%)	22,395,120

*Does not include \$2,338,502 Common Stock and \$3,835 Preferred Stock in Treasury. †See Notes as to provisions governing the payment of dividends. ‡Does not include \$3,391,000 Bonds and Equipment Certificates in Sinking Fund, \$3,680,000 Equipment Certificates owned by Company.

‡BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$203,848,000
Equipment	7,396,000

CAPITALIZATION

	Total	Per Mile
Stock	\$152,512,149	\$18,810
Bonds	211,244,000	26,054
Total	363,756,149	44,864

Fixed Charges below include \$941,169 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 8,108.		
Operating Revenues	\$91,313,866	\$11,262
Operating Expenses	61,952,329	7,641
Net Operating Revenues	29,361,537	3,621
Other Income (including \$841,242 Rentals)	3,053,476	377
Gross Corporate Income	32,415,013	3,998
Fixed Charges (including for Taxes, \$4,754,830)	15,132,503	1,866
*Surplus	17,282,510	2,131

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$11,608,646	\$1,432
Maintenance of Equipment	14,598,777	1,801
Traffic Expenses	1,307,139	161
Transportation Expenses	‡31,899,287	3,934
Miscellaneous Operations and General Expenses	2,538,480	313

Ratio of Operating Expenses to Operating Revenues 67.8 per cent.

*This Surplus before deducting \$216,570 paid account of Sinking Funds.

†After deducting \$219,936 Transportation for Investment—Cr.

Other Income above includes \$1,561,932 Dividend Income; the larger part of this latter item represents Dividends received on C., St. P., M. & O. Ry. Stock.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..27.8%	27.6%	28.1%	26.7%	24.6%	24.8%	
For Traffic and Other Operating Expenses	37.9%	39.9%	40.5%	40.7%	43.9%	43.2%
For Fixed Charges	16.0%	18.3%	17.2%	15.4%	16.6%	15.8%
For Surplus	18.3%	14.2%	14.2%	17.2%	14.9%	16.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		1915-16	1914-15	1913-14	1912-13	
Ton miles per mile of road		766,685	766,685	771,892	787,925	
Passenger miles per mile of road		139,405	139,405	145,389	139,683	
Miles, second and additional main track		1,110	1,106	1,106	1,105	
Miles, yards and sidings		3,421	3,407	3,364	3,279	

See Notes, page 291.

CHICAGO, BURLINGTON & QUINCY R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	8,871	\$65,973,046	\$13,804,778	1910-11	*9,071	\$88,272,208	\$16,843,763
1905-6	8,896	74,146,671	12,742,431	1911-12	*9,074	86,723,068	14,106,754
1906-7	9,122	82,473,251	13,155,207	1912-13	*9,109	94,374,486	19,430,746
1907-8	9,236	78,459,064	12,115,489	1913-14	*9,139	92,750,934	17,114,407
1908-9	9,282	79,414,357	12,338,136	1914-15	*9,339	91,125,061	19,041,919
1909-10	*9,023	87,869,517	13,308,746	1915-16	*9,368	102,358,893	29,846,270

*Does not include operations of Quincy, Omaha & Kansas City R. R. (262 miles), previously included.

STOCK OUTSTANDING

June 30, 1916.

Common\$110,839,100

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest\$179,858,500

*Does not include \$23,074,600 bonds in Sinking Funds and \$11,069,900 bonds held by company.

CAPITALIZATION

	Total	Per Mile
Stock	\$110,839,100	\$11,832
Bonds	179,858,500	19,199
Total	290,697,600	31,031

Fixed Charges below include \$1,380,446 for Rentals, \$204,865 for Hire of Equipment and \$41,888 Loss from Separately Operated Properties.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 9,368.		
Operating Revenues	\$102,358,893	\$10,926
Operating Expenses	61,713,161	6,588
Net Operating Revenues	40,645,732	4,338
Other Income (including \$590,559 Hire of Equipment) .	2,394,152	256
Gross Corporate Income	43,039,884	4,594
Fixed Charges (including for Taxes, \$4,449,291)	13,193,614	1,408
*Surplus	29,846,270	3,186

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$12,014,208	\$1,283
Maintenance of Equipment	15,592,110	1,664
Traffic Expenses	1,610,627	172
Transportation Expenses	†29,550,936	3,154
Miscellaneous Operations and General Expenses	2,945,280	315

Ratio of Operating Expenses to Operating Revenues 60.3 per cent.

*This Surplus before deducting \$6,000,000 Miscellaneous Appropriations of Income, \$2,400,000 Fund for Accrued Taxes—not yet due and \$1,817,679 Income applied to Sinking Fund.

†After deducting \$405,845 Transportation for Investment—Cr.

Other Income above includes \$709,837 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	26.3%	29.6%	29.8%	31.3%	30.0%	34.1%
For Traffic and Other Operating Expenses	32.6%	36.4%	35.4%	36.9%	35.8%	35.6%
For Fixed Charges	12.6%	15.9%	14.6%	15.9%	15.6%	15.6%
For Surplus	28.5%	18.1%	20.2%	15.9%	18.6%	14.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,076,784	913,068	942,339	965,083
Passenger miles per mile of road	119,306	115,561	126,058	125,139
Miles, second and additional main track	922	889	878	786
Miles, yards and sidings	3,033	2,972	2,920	2,854

See Notes, page 292.

CHICAGO GREAT WESTERN R. R.

Chicago Great Western R. R. (757 miles), Mason City & Ft. Dodge R. R. (375 miles), Wisconsin, Minnesota & Pacific R. R. (208 miles) and trackage (86 miles).

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1909-10	1,498	\$12,074,743	\$360,536	1913-14	1,496	\$14,260,522	\$895,930
1910-11	1,492	12,618,642	767,908	1914-15	1,428	13,920,685	868,194
1911-12	1,469	12,795,242	183,609	1915-16	*1,456	15,067,345	1,763,994
1912-13	1,496	14,000,618	1,245,039				

*Includes 86 miles of trackage. Actual mileage operated June 30, 1916, 1,496 miles.

STOCK OUTSTANDING

Common	\$45,210,513
*Preferred (4%)	43,867,902
*Cumulative since July 1, 1914.	

BONDS OUTSTANDING

Fixed Interest	\$37,899,000
Miscellaneous	17,925

CAPITALIZATION

	Total	Per Mile
Stock	\$89,078,415	\$61,180
Bonds	37,916,925	26,042
Total	126,995,340	87,222

Fixed Charges below include \$690,701 for Joint Facilities, Rents, for Hire of Equipment—Dr. and \$34,123 Miscellaneous Rents.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,456.		
Operating Revenues	\$15,067,345	\$10,348
Operating Expenses	10,716,498	7,360
Net Operating Revenues	4,350,847	2,988
Other Income (including \$120,545 from Rentals)	197,495	135
Gross Corporate Income	4,548,342	3,124
Fixed Charges (including for Taxes, \$553,129)	2,784,348	1,912
Surplus	1,763,994	1,212

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,983,135	\$1,362
Maintenance of Equipment	2,436,353	1,674
Traffic Expenses	546,487	375
Transportation Expenses	*5,241,849	3,600
General Expenses	508,674	349

Ratio of Operating Expenses to Operating Revenues 71.1 per cent.

*After deducting \$16,670 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	29.0%	30.2%	30.5%	26.5%	26.7%	26.7%
For Traffic and Other Operating Expenses	41.2%	43.6%	44.7%	45.9%	50.7%	47.3%
For Fixed Charges	18.2%	20.1%	18.6%	18.8%	21.2%	20.0%
For Surplus	11.6%	6.1%	6.2%	8.8%	1.4%	6.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,054,140	965,400	911,648	894,070
Passenger miles per mile of road	112,058	110,401	107,069	102,925
Miles, second and additional main track	*129	*129	128	105
Miles, yards and sidings	*575	*559	549	544

*Includes 70 miles second track and 54 miles of sidings, representing trackage rights leased from other Companies.

See Notes, page 294.

CHICAGO, INDIANAPOLIS & LOUISVILLE RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1904-5	592	\$5,609,751	1910-11	617	\$6,186,879
1905-6	592	5,921,001	1911-12	617	6,503,653
1906-7	600	5,988,867	1912-13	617	6,985,944
1907-8	611	5,167,160	1913-14	618	6,944,005
1908-9	616	5,319,386	1914-15	621	6,559,665
1909-10	616	6,020,242	1915-16	*622	7,694,734
		861,580			892,083

*Includes 104 miles of trackage.

STOCK OUTSTANDING

June 30, 1916.

Common	\$10,500,000
Preferred (4%)	5,000,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest.....	\$19,530,000
Equipment	1,378,000
Other	26,160

CAPITALIZATION

	Total	Per Mile
Stock	\$15,500,000	\$24,920
Bonds	20,934,160	33,656
Total	36,434,160	58,576

Fixed Charges below include \$648,070 for Rentals, \$4,862 for Rent of Equipment, \$53,598 Loss from Separately Operated Properties.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average Miles operated, 622.		
Operating Revenues	\$7,694,734	\$12,371
Operating Expenses	5,111,039	8,217
Net Operating Revenues	2,583,695	4,154
Other Income (including \$41,344 from Rentals)	338,272	544
Gross Corporate Income	2,921,967	4,698
Fixed Charges (including for Taxes, \$364,212)	2,029,883	3,263
Surplus	892,084	1,435

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$838,061	\$1,347
Maintenance of Equipment	1,279,091	2,056
Traffic Expenses	239,099	385
Transportation Expenses	*2,532,261	4,071
Miscellaneous Operations and General Expenses	222,527	358

Ratio of Operating Expenses to Operating Revenues 66.4 per cent.

*After deducting \$6,212 Transportation for Investment—Cr.

Other Income above includes \$82,979 Hire of Freight Cars—Cr., \$8,793 from Rent of Equipment, \$73,200 Dividend Income and, \$33,455 Profit—Separately Operated Properties.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	26.3%	26.8%	29.5%	28.3%	27.7%	26.3%
For Traffic and Other Operating Expenses	37.3%	42.1%	43.1%	42.1%	43.5%	40.4%
For Fixed Charges	25.3%	27.6%	25.4%	22.2%	22.7%	22.2%
For Surplus	11.1%	3.5%	2.0%	7.4%	6.1%	11.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,278,490	903,381	1,021,932	1,019,016
Passenger miles per mile of road	144,670	140,087	149,993	142,375
Miles, yards and sidings	274	276	278	274

See Notes, page 296.

CHICAGO, MILWAUKEE & ST. PAUL RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	6,908	\$49,884,114	\$12,478,783	1910-11	7,512	\$64,975,995	\$16,358,314
1905-6	6,961	55,423,053	15,547,320	1911-12	7,511	63,122,743	9,930,446
1906-7	7,050	60,548,554	13,866,775	1912-13	*9,612	*94,084,055	*18,140,745
1907-8	7,500	56,922,620	11,547,530	1913-14	*9,684	*91,782,691	*15,476,286
1908-9	7,512	59,897,463	12,881,832	1914-15	*10,053	*91,435,374	*11,968,282
1909-10	7,512	64,846,894	18,681,784	1915-16	*10,130	*105,646,484	*16,717,357

*Includes mileage and operations of Chicago, Milwaukee & Puget Sound Ry., merged January 1, 1913.

STOCK OUTSTANDING

June 30, 1916.

Common	\$117,411,300
*Preferred (7%)	116,274,900

*See Notes for provisions governing payment of Dividends. †Includes Bonds of C., M. & Puget Sound Ry. assumed. Does not include \$132,418,200 Bonds held in Treasury and \$2,086,700 Bonds held in Insurance and Sinking Funds.

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest	\$356,157,255
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CAPITALIZATION

	Total	Per Mile
Stock	\$233,722,384	\$23,072
Bonds	356,662,155	35,208
Total	590,384,539	58,280

Fixed Charges below include \$1,039,907 for Rentals and \$908,132 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 10,130.		
Operating Revenues	\$105,646,484	\$10,429
Operating Expenses	69,120,958	6,823
Net Operating Revenues	36,525,526	3,606
Other Income (including \$464,892 Rents Received)	3,359,445	331
Gross Corporate Income	39,884,971	3,937
Fixed Charges (including for Taxes, \$5,264,331)	23,167,614	2,287
Surplus	16,717,357	1,650

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$11,563,769	\$1,142
Maintenance of Equipment	16,518,476	1,631
Traffic Expenses	1,899,027	187
Transportation Expenses	*36,480,840	3,601
Miscellaneous Operations and General Expenses	2,658,846	262

Ratio of Operating Expenses to Operating Revenues 65.4 per cent.

*After deducting \$1,247,732 Transportation for Investment—Cr.

Other Income above includes \$221,861 Interest on Bonds, \$150,970 Dividends on Stock and \$1,906,979 Interest on Other Securities, Loans and Accounts.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..25.8%	25.4%	24.9%	24.9%	24.9%	26.1%	21.7%
For Traffic and Other Operat- ing Expenses .....37.5%	39.8%	38.3%	39.1%	41.4%	39.4%	
For Fixed Charges .....21.3%	22.2%	19.6%	17.5%	18.5%	17.7%	
For Surplus .....15.4%	12.6%	19.2%	18.5%	14.0%	21.2%	

	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		1915-16	1914-15	1913-14	1912-13	
Ton miles per mile of road		991,436	814,283	834,333	891,600	
Passenger miles per mile of road		88,832	85,393	94,215	89,703	
Miles, second and additional main track		1,146	1,146	1,035	790	
Miles, yards and sidings		3,394	3,332	3,299	3,188	

See Notes, page 298.

CHICAGO, PEORIA & ST. LOUIS R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1914-15	255	\$1,597,909	*\$88,286	1915-16	255	\$1,752,800	\$105,187

*Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common\$4,000,000

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest\$4,000,000
Equipment 472,000
Interest Notes 165,869

*Does not include \$850,000 bonds in Treasury.

CAPITALIZATION

	Total	Per Mile
Stock	\$4,000,000	\$15.636
Bonds	4,637,869	18.188
Total	8,637,869	33.874

Fixed Charges below include \$36,514 for Rentals, \$8,134 Hire of Freight Cars—Dr., \$338 Hire of Equipment and \$90,000 Interest on \$2,000,000 Prior Lien Mortgage Bonds. Interest on the General and Refunding Mortgage bonds (\$1,100,000 at 3%, \$900,000 at 4½%), which was not paid in 1915-16 is not included below. Had this interest (\$73,500) been paid, the Surplus would have been \$31.637.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 255.		Total	Per Mile
Operating Revenues		\$1,752,800	\$6.874
Operating Expenses		1,429,979	5.607
Net Operating Revenues		323,021	1.267
Other Income (including \$6,213 from Rentals)		11,653	.46
Gross Corporate Income		334,674	1.313
Fixed Charges (including for Taxes, \$63,015)		229,487	.900
Surplus		105,187	.413

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$236,325	\$9.27
Maintenance of Equipment	348,812	1.368
Traffic Expenses	68,304	.263
Transportation Expenses	711,444	2.790
General Expenses	64,894	.254

Ratio of Operating Expenses to Operating Revenues 81.6 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16
For Maintenance Expenses	33.2%
For Traffic and Other Operating Expenses	47.9%
For Fixed Charges	13.0%
For Surplus	5.9%
	100.0%

	1915-16
Ton miles per mile of road	819,208
Passenger miles per mile of road	43,626
Miles, yards and sidings	82

See Notes, page 300.

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1904-5	1,683	\$11,926,000	1910-11	1,743	\$16,092,851
1905-6	1,693	12,943,750	1911-12	1,745	15,135,426
1906-7	1,705	14,035,309	1912-13	1,747	16,993,004
1907-8	1,725	12,865,694	1913-14	1,748	17,992,371
1908-9	1,734	13,524,650	1914-15	1,753	17,841,348
1909-10	1,739	15,095,023	1915-16	*1,753	19,522,563

*Includes 70 miles of trackage.

*STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.		June 30, 1916.	
Common	\$18,559,087	†Fixed Interest	\$41,387,000
†Preferred (7%)	11,259,859		

*Does not include \$2,844,207 Common Stock and \$1,386,922 Preferred Stock in Treasury. †The Common Stock may not receive Dividends at a higher rate per cent. than that paid on the Preferred Stock. ‡Does not include \$634 Bonds in Treasury.

CAPITALIZATION

	Total	Per Mile
Stock	\$29,818,945	\$17,010
Bonds	41,387,000	23,609
Total	71,205,945	40,619

Fixed Charges below include \$756,784 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 1,753.	Total	Per Mile
Operating Revenues	\$19,522,563	\$11,136
Operating Expenses	12,958,838	7,392
Net Operating Revenues	6,563,725	3,744
Other Income (including \$357,852 from Rentals)	456,580	260
Gross Corporate Income	7,020,305	4,004
Fixed Charges (including for Taxes, \$1,022,053)	4,017,278	2,291
*Surplus	3,003,027	1,713

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,340,883	\$1,336
Maintenance of Equipment	2,419,137	1,379
Traffic Expenses	350,316	199
Transportation Expenses	7,190,570	4,102
Miscellaneous Operations and General Expenses	657,932	376

Ratio of Operating Expenses to Operating Revenues 66.4 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	23.8%	24.4%	26.8%	25.5%	22.6%	23.6%
For Traffic and Other Operating Expenses	41.0%	42.1%	42.4%	43.5%	45.4%	42.1%
For Fixed Charges	20.1%	21.3%	19.7%	17.8%	18.4%	17.0%
For Surplus	15.1%	12.2%	11.1%	13.2%	13.6%	17.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	900,705	762,182	740,357	722,952
Passenger miles per mile of road	145,325	143,928	152,569	134,256
Miles, second and additional main track	183	183	183	157

See Notes, page 301.

See Notes, page 301.

CINCINNATI, HAMILTON & DAYTON RY.

(Receivers Appointed July 2, 1914.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Deficit	Year	Oper.	Gross	Deficit
1904-5	1,032	\$8,008,918	\$363,779	1910-11	1,020	\$9,570,282	\$661,046
1905-6	1,038	8,398,418	1,147,631	1911-12	1,015	9,825,321	617,887
1906-7	1,038	8,946,935	861,354	1912-13	1,015	10,071,297	1,643,066
1907-8	1,038	7,960,612	1,673,902	1913-14	1,015	10,084,217	3,814,492
1908-9	1,036	7,897,048	1,691,922	1914-15	1,011	9,725,972	3,093,186
1909-10	1,036	9,446,524	720,263	1915-16	*622	9,618,787	1,194,396

*Does not include the Cincinnati, Indianapolis & Western Ry. (381 miles) reorganized separately.

STOCK OUTSTANDING

June 30, 1916.

Common	\$7,996,400
Preferred (5%)	248,575

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$39,359,000
Equipment	928,000
Guaranteed Stocks	3,708,200
†Other	22,172,122

*These are the bonds prior to Reorganization (see Notes); most of these bonds are in default. †Includes \$11,557,000 Notes matured 1913 and not paid off (held by B. & O. R. R.) and \$10,615,122 Non-negotiable Debt to Other Companies.

CAPITALIZATION

(Company—before Reorganization)

	Total	Per Mile
Stock	\$8,244,975	\$13,255
Bonds	66,167,322	106,378
Total	74,411,297	119,633

Fixed charges below include \$413,956 for Rentals, \$513,189 for Hire of Equipment—Dr., and \$2,487,289 Interest on Funded and Unfunded Securities and Accounts, only a small portion of which was actually paid.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 622. (Not including Cincinnati, Indianapolis & Western Ry.)

	Total	Per Mile
Operating Revenues	\$9,618,787	\$15,464
Operating Expenses	7,290,813	11,721
Net Operating Revenues	2,327,974	3,743
Other Income (including \$117,684 from Rentals)	231,953	373
Gross Corporate Income	2,559,927	4,116
Fixed Charges (including for Taxes, \$337,020)	3,754,323	6,036
Deficit	1,194,396	1,920

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,586,407	\$2,550
Maintenance of Equipment	1,938,398	3,116
Traffic Expenses	171,831	276
Transportation Expenses	*3,305,212	5,314
General Expenses	288,965	465

Ratio of Operating Expenses to Operating Revenues 75.8 per cent.

*After deducting \$21,878 Transportation for Investment—Cr.

The Deficit to Profit and Loss, June 30, 1916, was \$34,106,057.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	35.7%	37.7%	41.2%	30.3%	27.0%	26.2%
For Traffic, Transportation and General Expenses	38.2%	48.5%	53.4%	48.1%	46.1%	50.2%
For Fixed Charges	38.1%	44.9%	42.5%	37.6%	33.1%	30.5%
For	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	2,614,444	1,448,099	1,454,422	1,375,762
Passenger miles per mile of road	98,923	85,844	95,438	95,239
Miles, second and additional main track	52	52	52	52
Miles, yards and sidings	344	435	440	438

See Notes, page 302.

CINCINNATI NORTHERN R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906	248	\$1,027,728	\$165,195	1911	245	\$1,248,676	\$47,836
1907	248	1,005,198	122,798	1912	245	1,413,645	20,450
1908	248	977,974	54,083	1913	245	1,436,708	†156,248
1909	248	1,177,691	167,217	1914	246	1,471,472	28,672
1910	246	1,294,277	149,568	1915	*246	1,628,641	190,675

*Includes 39 miles of trackage. †Deficit.

STOCK OUTSTANDING

December 31, 1915.	
Common	\$3,000,000

BONDS OUTSTANDING

December 31, 1915.	
Fixed Interest	\$1,000,000
Equipment	430,000

CAPITALIZATION

	Total	Per Mile
Stock	\$3,000,000	\$12.195
Bonds	1,430,000	5.813
Total	4,430,000	18.008
Fixed Charges below include \$91,830 for Rentals and \$33,173 Hire of Equipment—Dr. balance.		

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 246.		
Operating Revenues	\$1,628,641	\$6,620
Operating Expenses	1,210,710	4,921
Net Operating Revenues	417,931	1,699
Other Income (including \$8,619 from Rentals)	11,224	46
Gross Corporate Income	429,155	1,745
Fixed Charges (including for Taxes, \$65,371)	238,480	970
Surplus	190,675	775

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$290,644	\$1,181
Maintenance of Equipment	307,122	1,249
Traffic Expenses	31,847	129
Transportation Expenses	537,825	2,186
General Expenses	43,272	176
Ratio of Operating Expenses to Operating Revenues 74.3 per cent.		

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses	36.5%	38.5%	50.1%	35.5%	40.1%	36.0%
For Traffic and Other Operating Expenses	37.4%	43.9%	47.7%	47.3%	43.7%	40.9%
For Fixed Charges	14.5%	15.7%	13.0%	15.8%	12.4%	11.9%
For Surplus	11.6%	1.9%	Deficit	1.4%	3.8%	11.2%
	100.0%	100.0%		100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	1,064,372	921,872	824,098	866,359
Passenger miles per mile of road	49,131	54,181	57,445	53,754
Miles, yards and sidings	55	55	54	52

See Notes, page 306.

CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1899-0	1,891	\$16,806,851	\$2,273,982	1908	1,982	\$24,242,617	\$708,779
1900-1	1,891	17,877,489	2,332,542	1909	1,982	27,657,741	2,776,372
1901-2	1,891	18,717,071	2,250,860	1910	1,982	30,423,005	1,476,497
1902-3	1,891	20,390,761	2,029,979	1911	2,012	30,431,915	1,801,616
1903-4	1,891	21,069,954	1,639,457	1912	2,012	32,714,238	2,344,352
1905	1,983	22,517,763	1,870,425	1913	2,014	33,840,298	†2,697,546
1906	1,983	24,594,916	2,064,732	1914	2,381	35,365,691	†1,973,687
1907	1,983	26,447,804	1,973,218	1915	*2,385	38,364,087	3,404,731

*Includes mileage of Peoria & Eastern Ry. (347 miles) and 165 miles of trackage. †Deficit.

STOCK OUTSTANDING

December 31, 1915.

Common\$57,027,200

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest\$8,622,741

Equipment11,905,058

*Other5,138,966

*Non-negotiable Debt to Affiliated Companies.

Loans and Bills Payable, December 31, 1915, \$8,029,310.

CAPITALIZATION

	Total	Per Mile
Stock	\$57,027,200	\$23,911
Bonds	105,666,765	44,304
Total	162,693,965	68,215

Fixed Charges below include \$571,041 for Rentals of Leased Roads, \$704,150 for Other Rentals, \$556,184 Hire of Equipment—Dr. balance, and \$96,024 loss—Separately Operated Properties.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 2,385.		Total	Per Mile
Operating Revenues		\$38,364,087	\$16,086
Operating Expenses		27,528,367	11,542
Net Operating Revenues		10,835,720	4,544
Other Income (including \$590,907 from Rentals)		1,137,069	477
Gross Corporate Income		11,972,789	5,021
Fixed Charges (including for Taxes, \$1,514,131)		8,568,058	3,592
*Surplus		3,404,731	1,429

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,417,348	\$1,852
Maintenance of Equipment	7,487,072	3,139
Traffic Expenses	876,499	367
Transportation Expenses	†13,611,236	5,707
Miscellaneous Operations and General Expenses	1,136,212	477

Ratio of Operating Expenses to Operating Revenues 71.8 per cent.

*This Surplus before deducting \$56,125 for Additions and Betterments and \$27,677 Income applied to Sinking Fund.

†After deducting \$98,751 Transportation for Investment—Cr.

Other Income above includes \$80,698 from Miscellaneous non-operating physical property.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses ..30.1%	34.3%	38.3%	29.2%	26.8%	29.2%	
For Traffic and Other Operating Expenses	39.6%	45.5%	47.1%	43.6%	44.6%	46.0%
For Fixed Charges	21.7%	25.7%	22.4%	20.2%	22.8%	20.1%
For Surplus	8.6%		Deficit	7.0%	5.8%	4.7%

	1915	1914	1913	1912
Ton miles per mile of road	2,010,647	1,869,744	2,068,512	2,033,210
Passenger miles per mile of road	179,266	185,929	214,962	203,678
Miles, second and additional main track	534	533	426	426
Miles, yards and sidings	1,309	1,313	1,136	1,124

See Notes, page 307.

DETROIT AND MACKINAC RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1902-3	337	\$953,708	1909-10	349	\$1,231,244
1903-4	322	981,314	1910-11	349	1,177,099
1904-5	330	990,555	1911-12	361	1,248,102
1905-6	343	1,154,826	1912-13	411	1,242,327
1906-7	344	1,311,274	1913-14	404	1,210,334
1907-8	348	1,186,097	1914-15	393	1,077,317
1908-9	347	1,148,974	1915-16	387	1,175,727
		171,207			252,319

STOCK OUTSTANDING

June 30, 1916.

Common	\$2,000,000
Preferred (5%)	950,000

*Does not include \$950,000 bonds in the Treasury.

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$2,300,000
Bank Loan	90,000

CAPITALIZATION

	Total	Per Mile
Stock	\$2,950,000	\$7,623
Bonds	2,390,000	6,176
Total	5,340,000	13,799

Fixed Charges below include \$300 for Rentals and \$3,074 Loss from Outside Operations.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 387.		
Operating Revenues	\$1,175,727	\$3,038
Operating Expenses	797,584	2,061
Net Operating Revenues	378,143	977
Other Income (including \$61,900 Hire of Equip't—Cr.) ..	71,284	184
Gross Corporate Income	449,527	1,161
Fixed Charges (including for Taxes, \$97,506)	197,206	510
*Surplus	252,319	651

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$132,937	\$344
Maintenance of Equipment	207,414	536
Traffic Expenses	25,043	65
Transportation Expenses	398,010	1,028
Miscellaneous Operations and General Expenses	34,180	88

Ratio of Operating Expenses to Operating Revenues 67.8 per cent.

*This Surplus before deducting \$45,310 for Additions and Betterments, \$20,000 for Contingency Fund and \$37,373 balance cost of A. S. & N. W. Ry.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	27.3%	29.4%	26.8%	26.4%	33.1%	31.2%
For Traffic and Other Operating Expenses	36.7%	40.2%	40.0%	39.1%	37.6%	36.7%
For Fixed Charges	15.6%	15.9%	17.4%	15.7%	15.9%	16.4%
For Surplus	20.4%	14.5%	15.8%	18.8%	13.4%	15.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	202,344	176,597	231,521	233,897
Passenger miles per mile of road	34,535	31,516	35,201	34,625
Miles, yards and sidings	117	119	117	107

See Notes, page 309.

DETROIT, TOLEDO & IRONTON R. R.

(Successor to Detroit, Toledo & Ironton Ry.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Deficit	Year	Oper.	Gross	Deficit
1904-5	436	\$1,468,299	\$286,894	1910-11	441	\$1,785,465	\$1,199,986
1905-6	436	1,914,977	270,941	1911-12	441	1,762,327	1,065,869
1906-7	438	2,116,407	371,623	1912-13	441	1,673,286	1,427,757
1907-8	409	1,623,266	573,743	1913-14	441	1,542,734	1,677,843
1908-9	438	1,525,126	685,257	1914-15	441	1,767,580	132,134
1909-10	441	1,607,032	914,298	1915-16	*441	2,212,266	†327,937

*Includes 45 miles of trackage. †Surplus.

The D. T. & I. R. R. acquired the properties of the D. T. & I. Ry. under foreclosure March 1, 1914.

STOCK OUTSTANDING

June 30, 1916.

Common	\$6,500,000
*Preferred (4%)	5,989,998
†Income Bonds (5%)	7,628,863

*Does not include \$10,002 in Treasury. †Cumulative beginning January 1, 1919; prior to that date payable if earned at option of directors. Does not include \$371,132 in Treasury.

NOTE:—Present Capitalization as above compares with former Capitalization (June 30, 1913) of \$25,000,000 Stock and \$19,329,280 Bonds, Notes, Receiver's Certificates, etc.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$1,075,000
Equipment	306,500

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$20,118,866	\$45,621
Bonds	1,381,500	3,133
Total	21,500,366	48,754

Fixed Charges below include \$52,001 for Rentals, \$146,842 Hire of Equipment—Dr. and \$2,473 Amortization of Discount on Funded Debt.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 441.		
Operating Revenues	\$2,212,266	\$5,016
Operating Expenses	1,611,094	3,653
Net Operating Revenues	601,172	1,363
Other Income (incl. \$34,619 from Rentals)	35,595	81
Gross Corporate Income	636,767	1,444
Fixed Charges (including for Taxes, \$72,967)	308,830	700
Surplus	327,937	744

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$229,427	\$520
Maintenance of Equipment	288,619	654
Traffic Expenses	49,356	112
Transportation Expenses	968,802	2,197
General Expenses	74,890	170

Ratio of Operating Expenses to Operating Revenues 72.8 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses.....	23.0%	28.0%	{ 152.1% }	52.6%	31.8%	37.7%
For Traffic and Other Transportation Expenses	48.6%	62.0%		56.4%	56.5%	58.9%
For Fixed Charges	13.9%	17.3%	*	75.3%	71.4%	69.9%
For Surplus	14.5%					
			Deficit	Deficit	Deficit	Deficit

100.0%

*Not stated.

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	760,171	796,245	698,058	782,768
Passenger miles per mile of road	19,973	20,553	18,004	19,475
Miles, yards and sidings	154	154	.....	147

See Notes, page 310.

GRAND RAPIDS & INDIANA RY.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1902	590	\$4,014,775	1909	591	\$4,861,452
1903	590	4,238,886	1910	587	5,148,994
1904	573	4,149,727	1911	586	5,031,661
1905	582	4,484,193	1912	578	5,435,270
1906	579	4,795,103	1913	576	5,580,232
1907	582	5,063,669	1914	575	5,387,885
1908	584	4,355,345	1915	575	5,330,923

STOCK OUTSTANDING

December 31, 1915.

Common\$5,791,700

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest\$10,373,000

Notes 150,000

CAPITALIZATION

(Grand Rapids & Indiana Ry. Proper.)

	Total	Per Mile
Stock	\$5,971,700	\$10.386
Bonds	10,523,000	18.301
Total	16,494,700	28.687

Fixed Charges below include \$222,847 Rent for Leased Roads, \$47,445 Other Rentals and \$134,394 Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

(All lines operated.)

	Total	Per Mile
Average miles operated, 575.		
Operating Revenues (1916, \$5,897,566)	\$5,330,928	\$9.271
Operating Expenses (1916, \$4,396,460)	3,985,930	6.932
Net Operating Revenues (1916, \$1,501,106)	1,344,998	2.339
Other Income (incl. \$39,962 from Rentals)	58,200	101
Gross Corporate Income	1,403,198	2,440
Fixed Charges (including for Taxes, \$257,890)	1,108,353	1,927
*Surplus (1916, \$357,700)	294,845	513

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$615,703	\$1.071
Maintenance of Equipment	885,661	1,540
Traffic Expenses	129,199	225
Transportation Expenses	2,169,267	3,773
Miscellaneous Operations and General Expenses	186,160	323
*This Surplus before deducting \$255,000 Income appropriated for Investment in Equipment.		

Ratio of Operating Expenses to Operating Revenues 74.8 per cent.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses.....	27.9%	28.1%	31.6%	28.6%	27.9%	30.9%
For Traffic and Other Operating Expenses	46.1%	49.2%	49.0%	48.5%	48.1%	49.1%
For Fixed Charges	20.6%	20.4%	18.4%	19.0%	20.3%	19.5%
For Surplus	5.4%	2.3%	1.0%	3.9%	3.7%	0.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton Miles per mile of road	783,085	778,433	808,083	800,241
Passenger miles per mile of road	139,465	159,097	166,143	157,307
Miles, second and additional main track	13	13	12	12
Miles, yards and sidings	267	266	264	258

See Notes, page 312.

GREEN BAY & WESTERN R. R.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1902	248	\$502,354	1909	248	\$588,919
1903	248	579,595	1910	248	659,561
1904	248	592,397	1911	248	660,484
1905	248	586,420	1912	248	761,503
1906	248	636,121	1913	248	757,737
1907	248	666,838	1914	248	776,330
1908	248	602,106	1915	*248	780,423

*Includes 25 miles of trackage.

STOCK AND DEBENTURES OUTSTANDING DECEMBER 31, 1915

Common Stock	\$2,500,000
Debentures "A"	600,000
Debentures "B"	7,000,000

CAPITALIZATION

	Total	Per Mile
Stock and Debentures	\$10,100,000	\$40,726

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 248.	Total	Per Mile
Operating Revenues	\$780,423	\$3,147
Operating Expenses	537,942	2,169
Net Operating Revenues	242,481	978
Other Income	110,638	446
Gross Corporate Income	353,119	1,424
Fixed Charges (including for Taxes, \$64,186)	145,586	587
Surplus	207,533	837

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$151,515	\$612
Maintenance of Equipment	121,383	489
Traffic Expenses	7,952	32
Transportation Expenses	232,456	937
General Expenses	24,636	99

Ratio of Operating Expenses to Operating Revenues 68.9 per cent.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses....	30.6%	32.7%	31.5%	26.7%	31.9%	31.0%
For Traffic, Transportation and General Expenses	29.7%	30.9%	32.5%	33.0%	33.4%	35.9%
For Fixed Charges	16.4%	7.5%	6.8%	6.0%	6.2%	4.1%
For Surplus	23.3%	28.9%	29.2%	34.3%	28.5%	29.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

See Notes, page 313.

HOCKING VALLEY RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	347	\$6,049,698	\$1,824,199	1909-10	350	\$7,569,330	\$2,539,765
1903-4	347	5,725,483	1,404,793	1910-11	350	7,172,731	1,832,731
1904-5	347	6,013,215	1,427,851	1911-12	351	7,303,679	1,830,836
1905-6	347	6,439,809	1,782,934	1912-13	351	7,817,644	1,916,404
1906-7	347	6,907,048	1,827,486	1913-14	352	7,021,145	955,741
1907-8	347	5,841,763	1,364,682	1914-15	352	6,181,153	493,402
1908-9	347	5,878,414	1,515,990	1915-16	351	7,411,526	1,081,766

STOCK OUTSTANDING

June 30, 1916.

Common\$11,000,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$19,867,000

Equipment 2,051,000

Notes 5% due 1917 4,000,000

Loans and Bills Payable, June 30, 1916, \$1,035,787.

CAPITALIZATION

	Total	Per Mile
Stock	\$11,000,000	\$31,329
Bonds	25,918,000	73,840
Total	36,918,000	105,179

Fixed Charges below include \$570,929 for Rentals and Other Payments.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 351.		
Operating Revenues	\$7,411,526	\$21,116
Operating Expenses	4,953,577	14,113
Net Operating Revenues	2,457,949	7,003
Other Income	962,441	2,742
Gross Corporate Income	3,420,390	9,745
Fixed Charges (including for Taxes, \$501,752)	2,338,624	6,663
Surplus	1,081,766	3,082

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$728,178	\$2,075
Maintenance of Equipment	1,814,110	5,168
Traffic Expenses	99,747	284
Transportation Expenses	2,137,472	6,090
General Expenses	174,070	496

Ratio of Operating Expenses to Operating Revenues, 66.8 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses.....	30.3%	28.8%	28.5%	27.7%	25.6%	24.7%
For Traffic and Other Operating Expenses	23.8%	35.8%	35.8%	30.3%	31.7%	33.2%
For Fixed Charges	27.9%	27.8%	22.9%	19.7%	19.8%	19.0%
For Surplus	13.0%	7.6%	12.8%	22.3%	22.9%	23.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	4,210,331	3,332,101	3,742,321	4,135,655
Passenger miles per mile of road	126,997	125,867	139,952	149,725
Miles, second and additional main track	54	54	56	56
Miles, yards and sidings	308	312	309	291

See Notes, page 313.

ILLINOIS CENTRAL R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	4,374	\$49,508,650	\$10,135,342	1910-11	4,750	\$62,088,737	\$11,315,344
1905-6	4,424	51,636,405	10,862,339	1911-12	4,763	58,727,272	3,466,448
1906-7	4,371	56,610,633	11,687,091	1912-13	4,763	64,280,903	6,575,113
1907-8	4,420	52,830,427	7,996,399	1913-14	4,769	65,873,700	8,138,824
1908-9	4,547	53,672,336	8,183,836	1914-15	4,770	61,700,372	6,859,162
1909-10	4,551	57,884,721	7,833,198	1915-16	4,767	69,077,343	11,807,565

STOCK OUTSTANDING

June 30, 1916.

Common\$109,285,532

*BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$189,607,000
 Equipment 15,467,000
 Leased Line Ctf's. (4%).. 9,989,700
 Other 700,000

*Does not include \$23,997,000 bonds (\$11,362,100 pledged) held in Treasury. Includes outstanding bonds of C. St. L. & N. O. Ry. and D. & S. C. R. R.

CAPITALIZATION

	Total	Per Mile
Stock	\$109,285,532	\$22,926
Bonds	215,763,700	45,262
Total	325,049,233	68,188

Fixed Charges below include \$5,512,902 for Rent of Leased Lines, including interest on their bonds as above, \$740,073 Other Rentals, \$80,007 Rent of Equipment and \$28,673 Loss from Separately Operated Properties.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 4,767.		
Operating Revenues	\$69,077,343	\$14,491
Operating Expenses	51,173,728	10,735
Net Operating Revenues	17,903,615	3,756
Other Income (incl. \$1,433,466 from Rentals)	9,620,744	2,018
Gross Corporate Income	27,524,379	5,774
Fixed Charges (including for Taxes, \$3,724,021)	15,716,794	3,297
*Surplus	11,807,565	2,477

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$9,506,527	\$1,994
Maintenance of Equipment	16,547,749	3,471
Traffic Expenses	1,252,366	263
Transportation Expenses	†21,728,508	4,553
Miscellaneous Operations and General Expenses	2,138,578	449

Ratio of Operating Expenses to Operating Revenues 74.1 per cent.

*This Surplus before deducting \$41,206 for Additions and Betterments and \$111,725 Applied to Sinking and Other Reserve Funds. †After deducting \$112,542 Transportation for Investment, Cr.

Other Income above includes \$772,291 Hire of Freight Cars—Cr., \$436,583 from Rent of Other Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses....	33.1%	32.8%	32.4%	32.0%	33.6%	29.4%
For Traffic and Other Operating Expenses	31.9%	35.8%	37.0%	39.2%	41.4%	35.6%
For Fixed Charges	20.0%	21.5%	19.5%	19.4%	19.6%	18.5%
For Surplus	15.0%	9.9%	11.1%	9.4%	5.4%	16.5%

100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,786,089	1,576,953	1,633,461	1,550,646
Passenger miles per mile of road ...	145,494	138,546	150,773	149,362
Miles, second and additional main track	995	994	938	933
Miles, yards and sidings	2,130	2,089	2,017	2,041

See Notes, page 314.

ILLINOIS SOUTHERN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1913-14	137	\$561,765	*\$16,052	1915-16	137	\$693,207	\$45,315
1914-15	137	527,336	4,444				

*Deficit

STOCK OUTSTANDING

June 30, 1916.

Common	\$4,000,000
Preferred (6%)	1,000,000
Income Bonds (5%)	1,380,000

*Not including \$82,000 bonds in Treasury.

Loans and Bills Payable, June 30, 1916, \$15,280.

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$1,936,000
Equipment	9,000

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$6,380,000	\$46,569
Bonds	1,945,000	14,197
Total	8,325,000	60,766

Fixed Charges below include \$18,728 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 137.		
Operating Revenues	\$693,207	\$5,060
Operating Expenses	509,912	3,722
Net Operating Revenues	183,295	1,338
Other Income (\$3,714 Demurrage)	6,156	45
Gross Corporate Income	189,451	1,383
Fixed Charges (including for Taxes, \$26,819)	144,136	1,052
Surplus	45,315	331

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$103,762	\$758
Maintenance of Equipment	104,680	764
Traffic Expenses	20,539	150
Transportation Expenses	243,859	1,780
General Expenses	37,072	270

Ratio of Operating Expenses to Operating Revenues 73.5 per cent.

Other Income above includes \$805 from Rents.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	30.2%	32.8%
For Traffic and Other Operating Expenses	43.1%	48.0%
For Fixed Charges	20.1%	19.1%
For Surplus	6.6%	0.8%
	100.0%	100.0%

	1915-16	1914-15	1913-14
Ton miles per mile of road	667,362	417,577	506,594
Miles, yards and sidings	32	33	33

See Notes, page 316.

INDIANA HARBOR BELT R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Deficit	Year	Oper.	Gross	Deficit
1910	113	\$2,389,532	\$450,690	1913	105	\$3,303,809	\$232,621
1911	105	2,452,472	126,217	1914	110	3,329,172	347,890
1912	105	2,936,136	†12,052	1915	*110	3,458,052	69,081

*Includes 27 miles operated under contract and 37 miles of trackage.
†Surplus.

STOCK OUTSTANDING

December 31, 1915.
Common\$2,450,000

BONDS OUTSTANDING

December 31, 1915.
Fixed Interest\$6,725,000
*Notes4,611,693
*Non-negotiable Debt to Affiliated Companies.

CAPITALIZATION

	Total	Per Mile
Stock	\$2,450,000	\$22,273
Bonds	11,336,693	103,061
Total	13,786,693	125,334
Fixed Charges below include \$332,166 for Rentals, and \$439,586 Hire of Equipment—Dr. balance.		

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 110.		
Operating Revenues	\$3,458,052	\$31,437
Operating Expenses	2,231,808	20,289
Net Operating Revenues	1,226,244	11,148
Other Income (incl. \$80,255 from Rentals)	93,642	851
Gross Corporate Income	1,319,886	11,999
Fixed Charges (including for Taxes, \$91,672)	1,388,967	12,627
Deficit	69,081	628

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$390,832	\$3,553
Maintenance of Equipment	303,623	2,760
Traffic Expenses	33,894	308
Transportation Expenses	1,410,782	12,826
General Expenses	92,677	842
Ratio of Operating Expenses to Operating Revenues 64.5 per cent.		

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses.....	19.6%	23.4%	25.0%	22.9%	22.9%	26.3%
For Traffic, Transportation and General Expenses	43.3%	46.8%	48.8%	45.6%	49.5%	56.1%
For Fixed Charges	39.1%	39.9%	33.1%	31.1%	32.5%	35.8%
For Surplus	Deficit	Deficit	Deficit	0.4%	Deficit	Deficit
100.0%						

	1915	1914	1913	1912
Miles, second and additional main track	61	61	...	58
Miles, yards and sidings	233	231	...	193

See Notes, page 317.

KANAWHA & MICHIGAN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1903-4	177	\$1,657,667	\$8,358	1909-10	176	\$2,769,657	630,374
1904-5	177	1,764,174	13,173	1910-11	176	3,111,052	1,053,361
1905-6	177	2,152,763	306,174	1911-12	176	3,145,252	918,236
1906-7	177	2,377,662	267,076	1912-13	177	3,303,229	1,005,396
1907-8	177	2,022,938	128,391	1913-14	177	3,110,148	816,447
1908-9	177	2,127,637	134,516	1915	177	3,139,104	805,077

*Includes 19 miles of trackage. On July 1, 1914, the fiscal year was changed to the calendar year. For the six months ending December 31, 1914, Operating Revenues were \$1,585,597 and the Surplus was \$353,575.

STOCK OUTSTANDING

December 31, 1915.

Common\$9,000,000

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest\$4,969,000

Equipment2,002,375

Bills Payable December 31, 1915, \$300,000.

CAPITALIZATION

	Total	Per Mile
Stock	\$9,000,000	\$50,848
Bonds	6,971,375	39,386
Total	15,971,375	90,234

Fixed Charges below include \$18,329 for Rentals.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 177.

	Total	Per Mile
Operating Revenues	\$3,139,104	\$17,735
Operating Expenses	2,060,618	11,642
Net Operating Revenues	1,078,486	6,093
Other Income	222,749	1,258
Gross Corporate Income	1,301,235	7,351
Fixed Charges (including for Taxes, \$146,491)	496,158	2,803
Surplus	805,077	4,548

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$415,163	\$2,346
Maintenance of Equipment	672,873	3,802
Traffic Expenses	38,016	215
Transportation Expenses	856,936	4,841
Miscellaneous Operations and General Expenses.....	77,630	438

Ratio of Operating Expenses to Operating Revenues 65.6 per cent.

Other Income above includes \$21,838 from Rentals, \$200,138 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915	1913-14	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses....	32.4%	32.5%	31.0%	29.5%	27.7%	39.4%
For Traffic and Other Operating Expenses	28.9%	31.5%	29.5%	31.3%	29.5%	26.0%
Fixed Charges	14.7%	12.4%	11.7%	11.5%	11.1%	13.8%
For Surplus	24.0%	23.6%	27.8%	27.7%	31.7%	21.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1913-14	1912-13	1911-12
Ton miles per mile of road	3,973,534	3,739,955	4,033,104	3,845,189
Passenger miles per mile of road.....	101,289	110,240	110,574	105,601
Miles, yards and sidings	132	131	118	111

See Notes, page 317.

LAKE ERIE & WESTERN R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902	887	\$4,699,340	\$484,165	1909	886	\$5,043,990	\$148,070
1903	887	5,218,728	489,010	1910	886	5,513,326	110,955
1904	887	4,998,010	366,489	1911	886	5,420,821	*12,224
1905	886	5,037,295	443,651	1912	906	5,839,630	212,681
1906	886	5,212,812	450,161	1913	906	5,934,643	*216,061
1907	886	5,066,940	243,664	1914	906	5,602,771	*227,873
1908	886	4,361,158	*240,440	1915	†900	6,239,647	516,550

*Deficit. †Includes 23 miles of trackage.

STOCK OUTSTANDING

December 31, 1915.

Common	\$11,840,000
Preferred (6%)	11,840,000
Loans and Bills Payable, December 31, 1915 (due New York Central R. R.)	\$1,526,975.

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest	\$10,875,000
Northern Ohio Ry.	2,500,000

CAPITALIZATION

	Total	Per Mile
Stock	\$23,630,000	\$26,311
Bonds	13,275,000	14,750
Total	36,955,000	41,061

Fixed Charges below include \$188,145 for Rentals, including \$125,000 interest on the above mentioned Northern Ohio Ry. 5% bonds and \$223,537 Hire of Equipment—Dr. balance.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 900.		
Operating Revenues	Total 6,239,647	Per Mile \$6,933
Operating Expenses	4,512,946	5,014
Net Operating Revenues	1,726,701	1,919
Other Income (incl. \$107,905 from Rentals)	126,563	140
Gross Corporate Income	1,853,264	2,059
Fixed Charges (including for Taxes, \$280,803)	1,336,714	1,485
Surplus	516,550	574

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$781,782	\$869
Maintenance of Equipment	1,198,005	1,331
Traffic Expenses	147,789	164
Transportation Expenses	2,235,389	2,484
General Expenses	149,981	166

Ratio of Operating Expenses to Operating Revenues, 72.3 per cent.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses....	31.1%	31.7%	36.1%	32.0%	33.2%	33.8%
For Traffic and Other Operating Expenses	39.8%	46.1%	44.0%	42.9%	44.3%	42.6%
For Fixed Charges	21.0%	26.2%	23.4%	21.5%	22.7%	21.6%
For Surplus	8.1%	Deficit	Deficit	3.6%	Deficit	2.0%
	100.0%			100.0%		100.0%

	1915	1914	1913	1912
Ton miles per mile of road	872,830	783,638	830,233	808,198
Passenger miles per mile of road	43,783	47,640	53,572	51,482
Miles, second and additional main track	9	9	9	9
Miles, yards and sidings	275	277	274	271

See Notes, page 318.

MANISTEE & NORTHEASTERN R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1913	190	\$562,730	\$36,885	1915	190	\$469,797	*\$5,706
1914	190	533,458	20,332				

*Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

December 31, 1915.

December 31, 1915.

Common	\$2,000,000	Fixed Interest	\$1,251,000
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CAPITALIZATION

	Total	Per Mile
Stock	\$2,000,000	\$10,526
Bonds	1,251,000	6,584
Total	3,251,000	17,110

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 190.	Total	Per Mile
Operating Revenues	\$469,797	\$2,473
Operating Expenses	377,540	1,987
Net Operating Revenue	92,257	486
Other Income (Hire of Equipment)	2,374	12
Gross Corporate Income	94,631	498
Fixed Charges (including for Taxes, \$28,634)	100,337	528
Deficit	5,706	30

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$68,734	\$362
Maintenance of Equipment	93,266	490
Traffic Expenses	11,565	61
Transportation Expenses	182,209	959
General Expenses	21,766	115
Ratio of Operating Expenses to Operating Revenues	80.4 per cent.	

APPROPRIATION OF GROSS INCOME

	1915	1914	1913
For Maintenance Expenses	34.3%	32.9%	32.2%
For Traffic, Transportation and General Expenses	45.7%	44.3%	42.1%
For Fixed Charges	21.2%	19.1%	19.2%
For Surplus	Deficit	3.7%	6.5%
		100.0%	100.0%

	1915	1914	1913
Ton miles per mile of road	118,997	142,875	147,674
Passenger miles per mile of road	*19,861	*22,064	*22,958
Miles, yards and sidings	53	53	53

*Based on 182 miles operated for Passenger Service.

See Notes, page 319.

MICHIGAN CENTRAL R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904	1,653	\$21,492,945	\$872,775	1910	1,803	\$29,694,815	\$1,717,331
1905	1,745	23,283,868	973,454	1911	1,817	30,164,490	2,116,364
1906	1,745	26,275,588	987,828	1912	1,817	32,911,753	2,726,333
1907	1,746	23,547,110	1,729,365	1913	1,800	36,011,886	1,283,161
1908	1,746	24,918,488	1,627,120	1914	1,800	33,464,968	414,419
1909	1,746	27,415,467	3,421,422	1915	*1,803	36,540,665	2,926,957

*Includes 96 miles of trackage.

STOCK OUTSTANDING

December 31, 1915.

Common\$18,738,000 *Fixed Interest\$82,050,000

*Includes \$22,500,000 Canada Southern Ry. Consol. Mortgage 5% Bonds; \$18,000,000 Detroit River Tunnel Co. First Mortgage 4½% Bonds, and \$3,908,000 Other Leased Lines' Bonds (not owned), the interest on which is included in Rentals.

Loans and Bills Payable on December 31, 1915, were \$4,507,205.

CAPITALIZATION

	Total	Per Mile
Stock	\$18,738,000	\$10,393
Bonds	82,050,000	45,507
Total	100,788,000	55,900

Fixed Charges below include \$3,444,651 Rent for Leased Roads, \$1,566,501 Hire of Equipment—Dr., \$545,971 for Other Rentals. The Rentals include Interest on Canada Southern Ry. Bonds, Detroit River Tunnel Co. Bonds, etc., included above under Bonds Outstanding; also guaranteed dividends on \$20,791,200 Capital Stock of Leased Lines, of which \$11,941,200 Stock owned by Michigan Central R. R.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 1,803.	Total	Per Mile
Operating Revenues	\$36,540,665	\$20,266
Operating Expenses	25,727,487	14,269
Net Operating Revenues	10,813,178	5,997
Other Income (including \$237,149 from Rentals)	928,483	515
Gross Corporate Income	11,741,661	6,512
Fixed Charges (including for Taxes, \$1,522,936)	8,814,704	4,889
*Surplus	2,926,957	1,623

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,533,241	\$2,514
Maintenance of Equipment	5,764,870	3,197
Traffic Expenses	721,914	400
Transportation Expenses	13,395,872	7,430
Miscellaneous Operations and General Expenses	1,311,590	728

Ratio of Operating Expenses to Operating Revenues, 70.4 per cent.

*This Surplus before deducting \$113,176 for Additions and Betterments (including \$109,066 for Leased Lines).

Other Income above includes \$469,425 Dividend Income and \$218,397 Income from Securities and Accounts.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses....	27.5%	26.1%	29.2%	24.5%	23.5%	26.5%
For Traffic and Other Operating Expenses	41.2%	47.1%	44.2%	43.2%	42.7%	43.7%
For Fixed Charges	23.5%	25.6%	23.2%	24.3%	27.1%	24.2%
For Surplus	7.8%	1.2%	3.4%	8.0%	6.7%	5.6%
Ton miles per mile of road	1,771,193	1,729,226	2,000,624	1,794,435		
Passenger miles per mile of road	247,982	251,823	260,301	233,332		
Miles, second and additional main track	618	617	617	610		
Miles, yards and sidings	1,509	1,502	1,404	1,363		

See Notes, page 319.

NEW YORK, CHICAGO & ST. LOUIS R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1905	523	\$9,108,730	\$1,407,703	1911	523	\$11,258,008	\$1,593,063
1906	523	9,902,209	1,748,592	1912	523	12,226,238	1,880,860
1907	523	10,465,671	2,294,253	1913	523	12,342,000	926,705
1908	523	9,221,456	1,030,909	1914	523	11,294,971	*183,881
1909	523	10,076,207	1,794,480	1915	523	12,536,380	908,970
1910	523	11,238,877	1,957,824				

*Deficit.

STOCK OUTSTANDING

December 31, 1915.

Common	\$14,000,000
Preferred 1st (5%)	5,000,000
Preferred 2d (5%)	11,000,000

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest	\$23,569,000
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CAPITALIZATION

	Total	Per Mile
Stock	\$30,000,000	\$57,362
Bonds	23,569,000	54.625
Total	58,569,000	111.987

Fixed Charges below include \$641,005 Hire of Freight Cars—Dr.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 523.	Total	Per Mile
Operating Revenues	\$12,536,380	\$23,970
Operating Expenses	9,322,126	17,824
Net Operating Revenues	3,214,254	6,146
Other Income	229,944	440
Gross Corporate Income	3,444,198	6,586
Fixed Charges (including for Taxes, \$465,939)	2,535,227	4,848
*Surplus	908,971	1,738

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,102,921	\$2,109
Maintenance of Equipment	2,059,532	3,938
Traffic Expenses	562,259	1,075
Transportation Expenses	5,289,776	10,114
Miscellaneous Operations and General Expenses.....	307,638	588

Ratio of Operating Expenses to Operating Revenues 74.4 per cent.

Other Income above includes \$129,249 from Rentals, \$14,627 Rent from Equipment.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses....	24.8%	26.8%	27.2%	21.6%	22.4%	22.4%
For Traffic and Other Operating Expenses	48.2%	54.9%	49.6%	48.3%	47.9%	45.6%
For Fixed Charges	19.9%	19.8%	15.8%	15.0%	15.7%	15.0%
For Surplus	7.1%	Deficit	7.4%	15.1%	14.0%	17.0%
	100.0%		100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	4,002,374	3,471,215	3,971,488	3,912,365
Passenger miles per mile of road....	146,019	174,893	187,914	173,893
Miles, second and additional main track	91	91	91	91
Miles, yards and sidings	318	299	294	288

See Notes, page 321.

OHIO & LITTLE KANAWHA R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	74	\$255,318	\$28,628	1910-11	74	\$292,178	\$290
1905-6	74	288,195	64,169	1911-12	74	303,193	*11,381
1906-7	74	282,453	17,735	1912-13	74	299,732	*20,290
1907-8	74	278,766	*31,070	1913-14	74	297,658	*73,945
1908-9	74	264,093	15,238	1914-15	74	298,108	117
1909-10	74	290,326	16,580	1915-16	74	294,360	*29,794

*Deficit.

*STOCK OUTSTANDING

June 30, 1916.

Common	\$ 918,000	†Fixed Interest	\$228,000
Preferred (5%)	1,167,500	†Other	16,943

*Does not include \$82,000 Common Stock and \$82,500 Preferred Stock in Treasury. †Does not include \$22,000 Bonds in Treasury. ‡Construction Advances made by and due to Baltimore & Ohio R. R.

BONDS OUTSTANDING

June 30, 1916.

CAPITALIZATION

	Total	Per Mile
Stock	\$2,085,500	\$28,182
Bonds	244,943	3,310
Total	2,330,443	31,492

Fixed Charges below include \$11,489 for Rentals and \$1,870 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 74.		
Operating Revenues	294,360	\$3,978
Operating Expenses	280,511	3,791
Net Operating Revenues	13,849	187
Other Income (incl. \$772 for Rentals)	774	10
Gross Corporate Income	14,623	197
Fixed Charges (including for Taxes, \$19,658)	44,417	600
Deficit	29,794	403

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$72,803	\$984
Maintenance of Equipment	59,987	811
Traffic Expenses	10,937	148
Transportation Expenses	122,515	1,655
General Expenses	14,269	193

Ratio of Operating Expenses to Operating Revenues, 95.3 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses....	47.1%	36.6%	55.8%	44.3%	43.9%	38.6%
For Traffic and Other Operating Expenses	55.0%	50.2%	54.9%	50.5%	47.5%	49.6%
For Fixed Charges	15.7%	13.1%	14.0%	11.9%	12.3%	11.7%
For Surplus	Deficit	0.1%	Deficit	Deficit	Deficit	0.1%
	100.0%					100.0%

	1915-16	1914-15	1913-14	1912-13
Miles, yards and sidings	13	13	14	14

See Notes, page 321.

PERE MARQUETTE RY.

(Receivers appointed April 6, 1912.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906-7	2,390	\$14,214,195	.....	1911-12	2,331	\$16,676,428	†\$1,979,680
1907-8	2,362	13,691,876	.....	1912-13	2,330	17,406,755	†1,595,550
1908-9	2,349	14,169,565	.....	1913-14	2,324	16,915,198	†7,152,895
1909-10	2,331	15,995,623	.....	1914-15	2,314	18,028,210	†1,419,265
1910-11	2,333	15,986,808	†\$1,813,761	1915-16	*2,251	21,210,053	‡3,098,833

*Includes 230 miles leased lines and trackage rights, also L. E. & D. R. Ry. (199 miles). †Deficit. ‡Surplus under old basis of capitalization amounted to \$254,558.

*STOCK OUTSTANDING

June 30, 1916.

Common	\$45,046,000
†Prior Preferred (5%)....	11,200,000
‡Preferred (5%)	12,429,000

*Not including \$1,400,000 L. E. & D. R. Ry. stock presumably undisturbed. These are the securities of the new Company (see Notes). †Cumulative. ‡Cumulative after January 1, 1919.

*BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$36,325,000
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CAPITALIZATION
(New Company.)

Total Per Mile

Stock (Old Company, \$26,327,210)	\$68,675,000	\$30,509
Bonds (Old Company, \$86,357,826)	36,325,000	16,137
Total (Old Company, \$112,685,036)	105,000,000	46,646

Fixed Charges below include \$664,716 for Rentals, \$749,110 for Hire of Equipment, and \$1,637,760 Interest on Funded Debt under new basis of Capitalization. Fixed Charges under old basis of Capitalization were \$6,581,682.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 2,251		Total	Per Mile
Operating Revenues	\$21,210,053	\$9,422	
Operating Expenses	14,530,424	6,455	
Net Operating Revenues	6,679,629	2,967	
Other Income	156,611	70	
Gross Corporate Income	6,836,240	3,037	
Fixed Charges (including for Taxes, \$626,275)	3,737,407	1,660	
*Surplus (Old Basis of Capitalization \$254,558)	3,098,833	1,377	

OPERATING EXPENSES

Total Per Mile

Maintenance of Way	\$2,007,172	\$892
Maintenance of Equipment	4,268,058	1,896
Traffic Expenses	381,310	169
Transportation Expenses	*7,333,200	3,258
General Expenses	540,684	240

Ratio of Operating Expenses to Operating Revenues 68.5 per cent.

*Approximately correct; stated on new basis of Capitalization.

†After deducting \$4,905 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13
For Maintenance Expenses	29.4%			
For Traffic and Other Operating Expenses	38.7%			
For Fixed Charges	17.5%			
For Surplus	14.4%			
				100.0%
Ton miles per mile of road	988,572	850,147	778,230	849,618
Passenger miles per mile of road	92,015	86,329	89,077	93,414
Miles, yards and sidings	870	851	853	840

See Notes, page 322.

PITTSBURGH & WEST VIRGINIA R. R.

(Successor to Wabash-Pittsburgh Terminal Ry.).

(Including West Side Belt R. R.)

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1913-14	86	\$1,435,632	\$23,256	1915-16	86	\$1,731,192	\$377,847
1914-15	86	1,185,697	*73,193				

*Deficit

*STOCK OUTSTANDING

June 30, 1916.

Common	\$30,500,000
†Preferred (6%)	9,100,000

*This represents the Capitalization of new Company which, it is expected, will commence to operate the property shortly. See Notes.

†Cumulative beginning 1921.

*BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$4,315,000
Equipment	850,000

CAPITALIZATION

(New Company)

	Total	Per Mile
Stock (Old Company, \$10,000,000)	\$39,600,000	\$460,465
Bonds (Old Company, \$52,797,714)	5,165,000	60,058
Total (Old Company, \$62,797,714)	44,765,000	520,523

Fixed Charges below include \$32,355 for Rentals, \$20,518 for Hire of Freight Cars—Dr., \$31,616 Rent for Other Equipment, \$186,610 Interest on Receiver's Certificates and \$23,068 Other Interest. These were actual charges paid during year. Under new basis of capitalization (as above) charges will be somewhat reduced.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 86.		
Operating Revenues	\$1,731,192	\$20,130
Operating Expenses	1,023,096	11,896
Net Operating Revenues	708,096	8,234
Other Income (including \$77,152 from Rentals)	108,198	1,258
Gross Corporate Income	816,294	9,492
Fixed Charges (including for Taxes, \$93,600)	438,447	5,098
*Surplus	377,847	4,394

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$212,597	\$2,472
Maintenance of Equipment	214,302	2,492
Traffic Expenses	35,993	419
Transportation Expenses	465,988	5,418
Miscellaneous Operations and General Expenses	94,216	1,095

Ratio of Operating Expenses to Operating Revenues 59.1 per cent.

*This Surplus before deducting \$80,377 invested in Road and Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	23.3%	30.1%
For Traffic and Other Operating Expenses	32.4%	40.0%
For Fixed Charges	23.8%	35.7%
For Surplus	20.5%	Deficit

100.0%

	1915-16	1914-15	1913-14
Ton miles per mile of road	1,572,379	1,164,684	1,484,764
Passenger miles per mile of road	80,912	73,266	71,229

See Notes, page 325.

PITTSBURGH, CINCINNATI, CHICAGO & ST. LOUIS RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904	1,423	\$28,532,475	.....	1910	1,468	\$40,601,379	\$3,911,010
1905	1,427	31,417,095	.....	1911	1,467	33,549,933	4,490,088
1906	1,429	34,485,501	.....	1912	1,472	43,604,082	6,186,250
1907	1,472	37,646,590	.....	1913	1,472	44,237,388	1,486,694
1908	1,472	31,075,098	.....	1914	1,472	39,139,400	2,314,097
1909	1,469	35,970,833	\$5,488,641	1915	1,489	41,445,690	4,725,922

STOCK OUTSTANDING

December 31, 1915.

Common	\$37,595,861
Preferred (5%)	29,916,200
Other	96,888

See Notes as to consolidation of this company with the Vandalia R. R. and other companies and new basis of capitalization effective January 1, 1917.

BONDS OUTSTANDING

December 31, 1915

Fixed Interest	\$63,132,000
Equipment	6,081,498

CAPITALIZATION

	Total	Per Mile
Stock	\$67,608,949	\$45,406
Bonds	69,213,498	46,483
Total	136,822,447	91,889

Fixed Charges below include \$1,501,696 for Rentals (of which \$1,085,758 Rent for Leased Roads) and \$738,921 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 1,489.	Total	Per Mile
Operating Revenues (1916, \$50,706,495)	\$41,445,690	\$27,835
Operating Expenses (1916, \$36,344,752)	30,267,633	20,328
Net Operating Revenues (1916, \$14,361,702)	11,178,057	7,507
Other Income (including \$514,817 from Rentals)	735,592	494
Gross Corporate Income	11,913,649	8,001
Fixed Charges (including for Taxes, \$1,927,159)	7,187,727	4,827
*Surplus	4,725,922	3,174

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$5,791,544	\$3,890
Maintenance of Equipment	7,853,381	5,274
Traffic Expenses	766,485	515
Transportation Expenses	14,532,833	9,760
General Expenses	1,323,390	889

Ratio of Operating Expenses to Operating Revenues 73.1 per cent.

*This Surplus before deducting \$941,130 applied to Sinking and Other Reserve Funds.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses	32.4%	32.4%	37.9%	32.0%	30.6%	32.7%
For Traffic and Other Operating Expenses	39.1%	43.0%	42.7%	39.1%	40.3%	40.4%
For Fixed Charges	17.2%	18.8%	16.1%	15.0%	17.5%	17.3%
For Surplus	11.3%	5.8%	3.3%	13.9%	11.6%	9.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	3,082,751	2,842,301	3,465,125	3,619,837
Passenger miles per mile of road	270,941	288,000	311,536	288,520
Miles, second and additional main track	811	806	792	792
Miles, yards and sidings	1,017	1,013	1,006	979

See Notes, page 326.

TOLEDO & OHIO CENTRAL RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	436	\$3,446,747	\$325,425	1909-10	444	\$4,476,951	\$954,896
1903-4	441	3,598,684	431,300	1910	444	5,089,896	1,330,585
1904-5	441	3,766,651	368,402	1911	441	4,938,646	609,214
1905-6	441	4,072,163	553,927	1912	443	5,363,018	858,431
1906-7	441	4,866,661	1,185,295	1913	443	6,017,094	441,227
1907-8	441	4,191,999	861,984	1914	446	4,930,626	*306,616
1908-9	441	4,089,607	739,201	1915	436	4,722,352	43,113

*Deficit.

STOCK OUTSTANDING

December 31, 1915.

Common	\$6,500,000
Preferred	3,708,000
*Income Bonds (4%).....	500,000

*No interest has been paid on the \$500,000 St. Mary's Division Income Bonds. See Notes as to Guaranteed Bonds.

Loans and Bills Payable on December 31, 1915, were \$10,719,012, including \$8,719,012 Kanawha Notes issued in 1914 in connection with purchase of Kanawha & Michigan Ry. Stock.

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest	\$8,000,000
Equipment	3,123,877
Other	187,527

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$10,708,000	\$24,560
Bonds (not including Loans and Bills Payable)	11,311,404	25,944
Total	22,019,404	50,504

Fixed Charges below include \$97,385 for Rentals, \$11,250 for Hire of Equipment—Dr., \$220,271 loss from Separately Operated Properties (Z. & W. Ry.), and \$547,893 interest on Unfunded Debt.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 436.	Total	Per Mile
Operating Revenues	\$4,722,352	\$10,831
Operating Expenses	3,609,794	8,279
Net Operating Revenues	1,112,558	2,552
Other Income (including \$61,405 from Rentals)	642,243	1,473
Gross Corporate Income	1,754,801	4,025
Fixed Charges (including for Taxes, \$276,421)	1,711,688	3,926
Surplus	43,113	99

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$667,883	\$1,532
Maintenance of Equipment	961,640	2,205
Traffic Expenses	84,477	194
Transportation Expenses	1,755,413	4,026
Miscellaneous Operations and General Expenses	140,381	322

Ratio of Operating Expenses to Operating Revenues 76.4 per cent.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses ..	30.4%	33.8%	35.5%	31.8%	29.2%	27.4%
For Traffic and Other Operat- ing Expenses	36.9%	41.6%	39.6%	37.3%	37.2%	33.9%
For Fixed Charges	31.9%	30.4%	17.8%	15.6%	21.7%	13.5%
For Surplus	0.8%	Deficit	7.1%	15.3%	11.9%	25.2%
	100.0%		100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	2,177,889	2,144,293	2,791,615	2,335,301
Passenger miles per mile of road	78,423	85,266	90,186	84,856
Miles, second and additional main track	11	7	7	6
Miles, yards and sidings	263	267	248	250

See Notes, page 328.

TOLEDO, PEORIA & WESTERN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1905-6	247	\$1,293,394	†\$21,642	1911-12	248	\$1,276,600	\$2,304
1906-7	247	1,300,216	1,672	1912-13	248	1,392,961	37,672
1907-8	247	1,221,480	†36,232	1913-14	248	1,293,609	†187,842
1908-9	248	1,094,158	†51,004	1914-15	*248	1,175,251	†230,067
1909-10	248	1,173,420	†12,905	1915-16	*248	1,218,131	†35,925
1910-11	248	1,293,562	13,186				

*Includes 17 miles trackage. †Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.		June 30, 1916.	
Common	\$4,076,900	Fixed Interest	\$4,895,000
		*Equipment	300,000

*Approximate.

Loans and Bills Payable, June 30, 1915, \$818,000.

CAPITALIZATION

	Total	Per Mile
Stock	\$4,076,900	\$16,439
Bonds	5,195,000	20,948
Total	9,271,900	37,387

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 248.		
Operating Revenues	\$1,218,131	\$4,912
Operating Expenses	1,046,587	4,220
Net Operating Revenues	171,544	692
Other Income	110,280	445
Gross Corporate Income	281,824	1,137
Fixed Charges (including for Taxes, \$74,000)	317,749	1,281
Deficit	35,925	144

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$187,348	\$755
Maintenance of Equipment	336,868	1,358
Traffic Expenses	27,638	111
Transportation Expenses	449,765	1,813
General Expenses	45,028	182
Ratio of Operating Expenses to Operating Revenues, 85.9 per cent.		

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses....	39.5%	42.0%	42.8%	37.3%	36.5%	36.0%
Tor Traffic and other Operat- ing Expenses	39.3%	47.6%	48.6%	40.2%	41.9%	41.4%
For Fixed Charges	23.9%	28.5%	22.5%	19.9%	21.4%	21.6%
For Surplus	Deficit	Deficit	Deficit	2.6%	0.2%	1.0%
				100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road		215,750	236,776	260,527
Passenger miles per mile of road		90,501	100,781	98,650

See Notes, page 329.

VANDALIA R. R.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1904	824	\$8,261,782	1910	827	\$10,528,374
1905	824	7,845,222	1911	827	9,970,327
1906	828	8,904,859	1912	827	10,748,709
1907	829	10,053,186	1913	876	11,399,933
1908	829	8,582,670	1914	910	11,006,672
1909	827	9,136,286	1915	*917	11,426,270

*Includes 117 miles used jointly with other companies.

STOCK OUTSTANDING

December 31, 1915.

Common	\$14,613,950
Other	35,566

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest\$18,907,000

CAPITALIZATION

CAPITALIZATION		Total	Per Mile
Stock	.....	\$14,649,516	\$15,986
Bonds	.....	18,907,000	20,509
Total	.....	33,556,516	36,595

Fixed Charges below included \$522,897 for Rentals and \$323,473 for Hire of Equipment. Rentals include \$257,413 Rental of Terre Haute & Peoria R. R. (this being 30% of latter's Operating Revenues).

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 917.	Total	Per Mile
Operating Revenues (1916, \$13,330,043)	\$11,426,270	\$12,460
Operating Expenses (1916, \$9,826,785)	8,704,159	9,432
Net Operating Revenues (1916, \$3,503,258)	2,722,111	2,968
Other Income	109,549	120
Gross Corporate Income	2,831,660	3,088
Fixed Charges (including for Taxes, \$430,515)	2,058,898	2,245
*Surplus	772,762	843

OPERATING EXPENSES

OPERATING EXPENSES		Total	Per Mile
Maintenance of Way		\$1,572,825	\$1,714
Maintenance of Equipment		2,231,545	2,434
Traffic Expenses		230,464	306
Transportation Expenses		4,219,793	4,602
General Expenses		399,532	436

Ratio of Operating Expenses to Operating Revenues	76.2 per cent.
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*This Surplus before deducting \$168,834 Income applied to Sinking and Other Funds.

Other Income above includes \$34,033 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses ..	33.0%	33.8%	34.6%	32.4%	32.8%	33.0%
For Traffic and Other Operat- ing Expenses	42.5%	46.0%	43.9%	42.9%	44.8%	43.7%
For Fixed Charges	17.8%	17.7%	15.8%	15.2%	18.4%	17.2%
For Surplus	6.7%	2.5%	5.7%	9.5%	4.0%	6.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	1,397,756	1,311,023	1,345,037	1,354,638
Passenger miles per mile of road	118,365	124,343	132,600	136,590
Miles, second and additional main track	69	69	69	69
Miles, yards and sidings	478	474	467	465

See Notes, page 331.

WABASH RY.

(Successor to Wabash R. R., through Reorganization)

(Wabash R. R. July 1, to October 31, 1915; Wabash Ry. November 1, 1915 to June 30, 1916).

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross	Surplus
1912-13	2,515	\$31,769,287	1914-15	2,519	\$29,096,195	.....
1913-14	2,515	\$30,035,750	1915-16	2,519	34,704,886	*\$4,601,448

*Estimated.

*STOCK OUTSTANDING

June 30, 1916.

Common	\$43,551,512
Preferred "A" (5%)	46,200,000
Preferred "B" (5%)	48,723,837

*Issued under Plan of Reorganization (see Notes). †Includes Equipment Obligations (amount not stated).

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest	\$65,040,000
Notes (4%)	1,500,000

CAPITALIZATION

	Total	Per Mile
Stock (Old Company, 92,715,426)	\$138,475,349	\$54.972
Bonds (Old Company, 129,660,149)	66,540,000	26.416
Total (Old Company, 222,875,575)	205,015,349	81.388
Fixed Charges below (partly estimated) include \$1,648,841 for Rentals and \$1,071,447 for Hire of Equipment.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 2,519. (Partly Estimated).		
Operating Revenues	\$34,704,886	\$13.777
Operating Expenses	23,749,879	9.428
Net Operating Revenues	10,955,007	4.349
Other Income	*406,944	161
Gross Corporate Income	*11,361,951	4,510
Fixed Charges (including for Taxes, \$1,027,943)	*6,760,503	2,684
Surplus	*4,601,448	1,826

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$3,831,587	\$1.521
Maintenance of Equipment	5,378,450	2.135
Traffic Expenses	1,046,614	415
Transportation Expenses	12,514,573	4.968
Miscellaneous Operations and General Expenses	978,655	389
Ratio of Operating Expenses to Operating Revenues 68.4 per cent.		

*Partly estimated. Annual Report of Company only reported operations for the eight months November 1, 1915 to June 30, 1916. Operating Revenues for that period were \$23,608,572; Net, \$7,615,202; Surplus, \$2,903,501.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	26.3%	31.2%	31.4%	29.7%	31.7%	27.7%
For Traffic and Other Operating Expenses	41.5%	47.2%	47.6%	46.2%	48.1%	45.2%
For Fixed Charges	19.2%	.....	.....	.....	29.1%	27.8%
For Surplus	13.0%	Deficit	Deficit	Deficit	Deficit	Deficit
	100.0%					

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road .....	.....	1,278,109	1,320,722	1,480,139
Passenger miles per mile of road ....	.....	124,114	151,643	145,717
Miles, second and additional main track	531	523	507	422
Miles, yards and sidings	1,184	1,158	1,151	1,127

See Notes, page 332.

WHEELING & LAKE ERIE RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1906-7	442	\$6,124,207	1911-12	457	\$7,498,146
1907-8	442	5,397,001	1912-13	459	7,831,948
1908-9	442	5,633,645	1913-14	491	7,637,346
1909-10	457	6,950,437	1914-15	512	5,428,069
1910-11	457	6,800,707	1915-16	512	9,184,516
*Estimated.			**After deducting \$400,000 Interest on Notes.		
32 miles trackage.			†Includes		
†Deficit.			††New basis of Capitalization.		

*STOCK OUTSTANDING

September 20, 1916.

Common	.....	\$33,641,300
†Prior Lien Stock (7%)	..	11,832,600
Preferred (6%)	.....	10,344,958

*These are the stocks and bonds outstanding or issuable as per Plan of Reorganization dated September 20, 1916. (See Notes.)

†Cumulative and convertible into common stock dollar for dollar; Issued as per Plan of Reorganization in exchange for \$8,000,000 5% Notes with \$3,882,600 interest accrued thereon. †Includes \$1,298,000 5% Sinking Fund Equipment Bonds for which disposition has not yet been made.

CAPITALIZATION

	Total	Per Mile
Stock (Old Company, \$36,980,400)	\$55,868,858	\$109,119
Bonds (Old Company, \$37,111,056)	17,800,000	34,766
Total (Old Company, \$74,091,456)	73,668,858	143,885

*Includes \$3,882,597 accrued interest on 5% Notes.

†Fixed Charges below include \$104,556 for Rentals, \$372,829 for Hire of Equipment and estimated interest on Obligations assumed by new Company.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

(Fixed Charges include Interest on Obligations assumed by new Co.)
Average miles operated, 512.

	Total	Per Mile
Operating Revenues	\$9,184,516	\$17,939
Operating Expenses	5,960,229	11,641
Net Operating Revenues	3,224,287	6,298
Other Income	36,947	71
Gross Corporate Income	3,261,234	6,369
Fixed Charges (including for Taxes, \$452,393)	1,698,783	3,317
†Surplus (Estimated)	1,562,451	3,052

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,158,889	\$2,264
Maintenance of Equipment	*1,757,744	3,433
Traffic Expenses	102,486	200
Transportation Expenses	2,741,217	5,354
Miscellaneous Operations and General Expenses	199,893	390

Ratio of Operating Expenses to Operating Revenues 64.9 per cent.

*Maintenance of Equipment includes \$379,389, covering the residual value of cars retired in previous years.

†This Surplus before deducting \$224,812 for Additions and Betterments and \$202,000 Equipment Obligations Paid by Receiver.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	..31.6%	30.2%	29.6%	37.4%	30.2%	30.4%
For Traffic and Other Operating Expenses	33.0%	43.9%	38.9%	37.5%	36.8%	39.1%
For Fixed Charges	18.4%	39.6%	30.6%	28.8%	28.8%	26.9%
For Surplus	17.0%	Deficit	0.9%	Deficit	4.2%	3.6%

100.0%

100.0%

100.0%

100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	2,635,154	1,352,834	2,538,701	2,876,338
Passenger miles per mile of road	81,717	68,794	82,026	91,159
Miles, second and additional main track	10	10	10	10
Miles, belt tracks, yards and sidings	449	441	462	460

See Notes, page 335.

ATLANTA & WEST POINT R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1902-3	86	\$808,373	\$217,161	1909-10	92	\$1,090,141	*\$259,405
1903-4	86	853,647	232,837	1910-11	93	1,208,212	325,284
1904-5	86	913,208	254,001	1911-12	93	1,263,363	261,932
1905-6	86	1,024,653	287,193	1912-13	93	1,238,926	249,771
1906-7	86	1,160,780	309,874	1913-14	93	1,277,668	255,451
1907-8	86	1,151,791	119,365	1914-15	93	1,185,338	168,202
1908-9	86	964,917	78,117	1915-16	93	1,367,285	289,635

*This Surplus figured on basis of present Capitalization. See below under Stock Outstanding.

STOCK OUTSTANDING JUNE 30, 1916

	Total	Per Mile
Common Stock	*\$2,463,600	\$26,490

No bonds are outstanding.

*Includes \$1,230,400 new Stock sold to Stockholders at par, and issued July 1, 1910. The proceeds of this Stock Issue were used to retire at par \$1,232,200 of 6% Certificates of Indebtedness.

Fixed Charges below include \$93,102 for Rentals and \$84,236 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 93.		
Operating Revenues	\$1,367,285	\$14,702
Operating Expenses	994,834	10,697
Net Operating Revenues	372,451	4,005
Other Income (including \$18,309 from Rentals)	178,704	1,921
Gross Corporate Income	551,155	5,926
Fixed Charges (Including for Taxes, \$77,639)	261,520	2,812
Surplus	289,635	3,114

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$161,210	\$1,734
Maintenance of Equipment	256,268	2,756
Traffic Expenses	73,102	786
Transportation Expenses	425,499	4,575
General Expenses	78,755	846

Ratio of Operating Expenses to Operating Revenues 72.8 per cent.

Other Income above includes \$122,668 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	26.4%	31.7%	32.8%	29.0%	30.0%	28.7%
For Traffic and Other Operating Expenses	37.4%	38.4%	33.3%	41.5%	40.2%	37.4%
For Fixed Charges	16.9%	17.3%	10.0%	10.3%	9.7%	8.1%
For Surplus	19.3%	12.6%	18.9%	19.2%	20.1%	25.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	598,952	464,991	501,029	488,902
Passenger miles per mile of road	259,326	240,883	279,196	276,913
Miles, second and additional main track	2	2	2	2
Miles, yards and sidings	31	30	30	23

See Notes, page 337.

ATLANTA, BIRMINGHAM & ATLANTIC RY.

(Successor to Atlanta, Birmingham & Atlantic R. R.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1912-13	645	\$3,243,046	*\$838,141	1914-15	640	\$2,656,483	*1,207,481
1913-14	640	3,399,361	*777,771	1915-16	638	3,051,877	249,935

*Deficit.

*STOCK OUTSTANDING

†BONDS OUTSTANDING

June 30, 1916.			June 30, 1916.		
Common		\$30,000,000	Fixed Interest		\$4,090,000
Income Bonds (5%)		5,165,787			

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$35,165,787	\$55,119
Bonds	4,090,000	6,411
Total	39,255,787	61,530

Fixed Charges below include \$13,361 for Rentals, \$32,768 for Hire of Freight Cars—Dr., \$2,474 Rent for Other Cars and \$204,500 Interest on A. & B. 5% bonds; interest on Income Bonds, 8 months at 5%, is not included in Fixed Charges. In the Annual report of the Company a portion of the Income bond interest is included in Fixed Charges.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 638.	Total	Per Mile
Operating Revenues	\$3,051,877	\$4,784
Operating Expenses	2,454,349	3,847
Net Operating Revenues	597,528	937
Other Income (including \$15,300 from Rentals)	66,599	104
Gross Corporate Income	664,127	1,041
Fixed Charges (including for Taxes, \$158,254)	504,419	649
Surplus	249,935	392

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$473,442	\$742
Maintenance of Equipment	555,689	871
Traffic Expenses	160,843	252
Transportation Expenses	1,154,308	1,809
General Expenses	110,067	173

Ratio of Operating Expenses to Operating Revenues 80.4 per cent.

Other Income above includes \$26,430 from Miscellaneous Non-operating Physical Property and \$3,090 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16
For Maintenance Expenses	33.0%
For Traffic and Other Operating and General Expenses	45.7%
For Fixed Charges	13.3%
For Surplus	8.0%
	100.0%

	1915-16
Ton miles per mile of road	594,239
Passenger miles per mile of road	38,115

See Notes, page 337.

ATLANTIC COAST LINE R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	4,307	\$22,222,902	\$4,669,712	1910-11	4,494	\$31,622,449	7,430,031
1905-6	4,327	24,868,448	4,816,942	1911-12	4,525	33,463,558	7,010,882
1906-7	4,347	26,771,528	3,117,955	1912-13	4,611	36,123,072	7,889,203
1907-8	4,365	26,029,052	2,781,147	1913-14	4,646	36,832,780	7,338,846
1908-9	4,434	26,144,065	4,628,779	1914-15	4,689	31,536,475	4,313,281
1909-10	4,482	29,810,268	6,993,254	1915-16	4,703	34,445,110	7,755,536

STOCK OUTSTANDING

June 30, 1916.

Common	\$67,558,000
Preferred (5%)	196,700
Class "A", R. & P. R. R.	1,000,000

BONDS OUTSTANDING

June 30, 1916.

*Mortgage Bonds	\$97,314,000
Equipment	1,823,000
L. & N. Coll. Bonds.....	35,000,000
†Other	4,640,635

*Does not include \$21,019,658 bonds held by or for the Company. †Includes \$4,482,935 4% bonds convertible into common stock at \$135 before January 15, 1930.

CAPITALIZATION

	Total	Per Mile
Stock	\$68,754,700	\$14.619
Bonds	138,777,635	29.508
Total	207,532,335	44.127

Fixed Charges below include \$192,650 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

	Total	Per Mile
Average miles operated, 4,703.		
Operating Revenues	\$34,445,110	\$7.324
Operating Expenses	22,797,008	4.847
Net Operating Revenues	11,648,102	2.477
Other Income (including \$356,748 from Rentals)	3,973,275	.845
Gross Corporate Income	15,621,377	3.322
Fixed Charges (including for Taxes, \$1,793,831)	7,865,841	1.673
*Surplus	7,755,536	1.649

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,311,802	\$9.17
Maintenance of Equipment	5,580,775	1.187
Traffic Expenses	703,179	.150
Transportation Expenses	†11,191,909	2.379
General Expenses	1,009,343	.214

Ratio of Operating Expenses to Operating Revenues 66.2 per cent.

*This Surplus before deducting \$140,541 for Additions and Betterments.

†After deducting \$24,290 Transportation for Investment—Cr.

Other Income above includes \$537,378 Hire of Equipment—Cr., \$57,976 Separately Operated Properties—Profit and \$66,730 from Miscellaneous Non-Operating Physical Properties.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	25.8%	28.7%	27.4%	25.7%	25.4%	24.4%
For Traffic and Other Operating Expenses	33.6%	37.0%	36.7%	36.1%	36.1%	34.3%
For Fixed Charges	20.5%	21.9%	17.9%	18.4%	19.4%	19.9%
For Surplus	20.1%	12.4%	18.0%	19.8%	19.1%	21.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	456,487	373,380	439,168	441,647
Passenger miles per mile of road	80,237	76,424	89,836	86,472
Miles, second and additional main track	332	332	270	194
Miles, yards and sidings			1,100	1,073

See Notes, page 339.

CAROLINA, CLINCHFIELD & OHIO RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1909-10	233	\$1,151,391	†\$385,192	1913-14	256	\$2,679,208	\$700,114
1910-11	256	1,811,755	†138,081	1914-15	256	2,260,776	147,806
1911-12	256	2,321,803	182,129	1915-16	291	3,101,444	560,239
1912-13	256	2,634,635	742,314				

*See Notes regarding Elkhorn Extension (Dante, Va., to Elkhorn City, Ky.—34 miles) opened for Traffic, July 1, 1915. †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$25,000,000
*Preferred (6%)	11,500,000

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest	\$13,950,000
Equipment	2,421,000
†Notes	7,500,000

*Does not include \$2,000,000 in Treasury. †Does not include \$400,000 Bonds in Treasury or pledged as Collateral. \$5,500,000 Elkhorn Extension First Mortgage 5% Notes due 1917 and \$2,000,000 5% Notes due 1919.

Loans and Bills Payable, June 30, 1916, \$550,000.

CAPITALIZATION

	Total	Per Mile
Stock	\$36,500,000	\$125,430
Bonds	23,871,000	82,031
Total	60,371,000	207,461

Fixed Charges below include \$33,617 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 291.		
Operating Revenues	\$3,101,444	\$10,658
Operating Expenses	1,540,808	5,295
Net Operating Revenues	1,560,636	5,363
Other Income (including \$407,523 Hire of Equipment) ..	409,823	1,408
Gross Corporate Income	1,970,459	6,771
Fixed Charges (including for Taxes, \$155,280)	1,410,220	4,846
Surplus	560,239	1,925

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$305,886	\$1,051
Maintenance of Equipment	390,069	1,340
Traffic Expenses	164,601	566
Transportation Expenses	*546,393	1,878
General Expenses	133,859	460

Ratio of Operating Expenses to Operating Revenues 49.7 per cent.

*After deducting \$12,579 Transportation for Investment—Cr.

Other Income above includes \$2,299 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13
For Maintenance Expenses	19.8%	21.2%	17.1%	15.2%
For Traffic and Other Operating Expenses	24.1%	26.6%	24.0%	23.2%
For Fixed Charges	40.2%	46.3%	36.0%	36.1%
For Surplus	15.9%	5.9%	22.9%	25.5%
	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,363,285	1,405,320	1,653,594	1,591,106
Passenger miles per mile of road	34,474	31,311	42,078	35,703
Miles, yards and sidings	112	96	96	94

See Notes, page 344.

CENTRAL OF GEORGIA RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	1,878	\$10,135,055	\$854,517	1910-11	1,915	\$12,907,788	\$1,722,740
1905-6	1,878	11,396,123	1,250,671	1911-12	1,915	13,932,153	1,666,193
1906-7	1,899	12,082,777	448,126	1912-13	1,924	13,854,872	1,223,464
1907-8	1,913	11,383,013	319,342	1913-14	1,924	14,210,743	1,091,042
1908-9	1,916	11,155,182	1,053,264	1914-15	1,924	12,108,184	1,202,005
1909-10	1,916	12,052,756	1,319,338	1915-16	*1,924	12,567,618	1,921,313

*Includes 478 miles leased and 14 miles trackage.

STOCK OUTSTANDING

June 30, 1916.

Common	\$5,000,000
Preferred (6%)	15,000,000
Income Bonds (5%)	298,350

*Cumulative, this Stock was issued on July 1, 1912, at par. Proceeds were used to acquire 5% Income Bonds. †See Notes. ‡Does not include \$7,839,000 General and Refunding 5% Bonds in Treasury or due from Trustee.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$36,313,000
Equipment	1,026,000
Other	4,066,246

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$20,298,350	\$10,550
Bonds	41,405,246	21,520
Total	61,703,596	32,070

Fixed Charges below include \$593,617 for Rentals (including \$369,233 for Rent of Leased Roads), and \$62,307 Rent for Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 1,924.		Total	Per Mile
Operating Revenues		\$12,567,618	\$6,532
Operating Expenses		8,845,067	4,597
Net Operating Revenues		3,722,551	1,935
Other Income (including \$155,454 from Rentals)		1,537,733	799
Gross Corporate Income		5,260,284	2,734
Fixed Charges (including for Taxes, \$639,520)		3,338,971	1,735
Surplus		1,921,313	999

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,742,269	\$906
Maintenance of Equipment	2,161,729	1,123
Traffic Expenses	431,291	224
Transportation Expenses	*4,028,874	2,094
Miscellaneous Operations and General Expenses	480,904	250

Ratio of Operating Expenses to Operating Revenues 70.4 per cent.

*After deducting \$12,775 Transportation for Investment—Cr.

Other Income above includes \$326,242 Hire of Freight Cars—Cr., \$57,477 from Rent of Equipment and \$875,592 Dividend Income, including \$719,712 (36%) from Stock of Ocean Steamship Co.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..27.7%	29.0%	32.1%	31.4%	28.5%	28.6%	
For Traffic and Other Operat- ing Expenses .....35.0%	37.7%	38.9%	39.0%	39.0%	37.0%	
For Fixed Charges .....23.6%	24.4%	21.8%	21.2%	21.2%	21.9%	
For Surplus .....13.7%	8.9%	7.2%	8.4%	11.3%	12.5%	
	100.0%	100.0%	100.0%	100.0%	100.0%	

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	425,859	394,915	440,211	436,325
Passenger miles per mile of road	78,048	76,426	94,422	91,778

See Notes, page 345.

CHARLESTON & WESTERN CAROLINA RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	340	\$1,123,156	\$207	1909-10	341	\$1,570,432	\$237,214
1903-4	340	1,159,174	49,493	1910-11	341	1,934,200	363,496
1904-5	340	1,250,920	74,401	1911-12	341	1,933,896	113,467
1905-6	341	1,513,158	131,947	1912-13	341	1,895,999	177,805
1906-7	341	1,516,083	9,745	1913-14	341	2,095,812	203,860
1907-8	340	1,408,139	3,874	1914-15	342	1,765,636	71,872
1908-9	340	1,410,030	113,579	1915-16	342	1,885,624	339,552

STOCK OUTSTANDING

June 30, 1916.

Common \$1,200,000

*Includes \$2,380,000 First Consolidated Bonds of 1914, Interest on which is payable 2% for first two years, 3% for the next three years, 4% for the next five years and 5% thereafter from January 1, 1924, to maturity (1964). These Bonds were issued in exchange for a like amount of 5% Income Bonds.

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest \$5,700,000

	Total	Per Mile
Stock	\$1,200,000	\$3,509
Bonds	5,700,000	16,667
Total	6,900,000	29,176

Fixed Charges below include \$9,868 for Rentals, \$44,947 for Hire of Locomotives—Dr., \$4,867 Rent for Other Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 342.		
Operating Revenues	\$1,885,624	\$5,514
Operating Expenses	1,234,266	3,609
Net Operating Revenues	651,358	1,905
Other Income (including \$22,270)	56,500	165
Gross Corporate Income	707,858	2,070
Fixed Charges (including for Taxes, \$75,122)	363,306	1,077
*Surplus	339,552	993

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$286,017	\$836
Maintenance of Equipment	243,023	711
Traffic Expenses	39,949	117
Transportation Expenses	608,714	1,780
General Expenses	56,563	165

Ratio of Operating Expenses to Operating Revenues 65.5 per cent.

*This Surplus before deducting \$2,550 for Additions and Betterments.

Other Income above includes \$13,224 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	27.2%	34.7%	32.8%	33.0%	33.8%	28.3%
For Traffic and Other Transportation Expenses	36.3%	40.6%	42.5%	43.5%	43.3%	38.1%
For Fixed Charges	19.0%	20.7%	15.1%	14.3%	17.1%	15.1%
For Surplus	17.5%	4.0%	9.6%	9.2%	5.8%	18.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	460,731	424,351	501,841	385,264
Passenger miles per mile of road	41,023	38,236	47,818	43,830
Miles, yards and sidings	92	91	90	89

See Notes, page 346.

CHESAPEAKE & OHIO RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	1,637	\$16,711,602	\$1,269,604	1909-10	1,937	\$31,237,169	\$6,290,486
1903-4	1,651	19,297,525	1,944,511	1910-11	*2,229	*32,583,411	3,223,285
1904-5	1,672	20,724,371	2,871,639	1911-12	*2,263	34,289,870	4,274,206
1905-6	1,794	24,602,988	4,607,223	1912-13	*2,319	35,085,278	3,298,503
1906-7	1,827	25,796,861	3,392,999	1913-14	*2,346	36,690,021	2,971,816
1907-8	1,840	25,843,272	2,784,387	1914-15	*2,369	39,464,037	2,663,537
1908-9	1,897	26,630,718	4,012,127	1915-16	*2,375	48,239,012	6,879,216

*Includes Chicago Line (284 miles) not previously included; likewise 224 miles used jointly.

STOCK OUTSTANDING

June 30, 1916.

Common	\$62,792,600
Preferred 1st	3,000
Preferred 2d	200

*Includes \$31,390,000 4½% bonds convertible into stock at par until 1920, and \$40,180,000 bonds (sold 1916; proceeds mostly used to retire \$33,000,000 5% Notes) convertible into stock at \$75 per share to April 1, 1920, and at higher conversion rates thereafter (see Notes).

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$173,552,000
Equipment	7,983,170

CAPITALIZATION

	Total	Per Mile
Stock	\$62,795,800	\$26,440
Bonds	181,535,170	76,436
Total	244,330,970	102,876

Fixed Charges below include \$901,505 for Rentals and \$11,723 Loss on C. & O. Grain Elevators.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 2,375.		
Operating Revenues	\$48,239,012	\$20,311
Operating Expenses	31,789,179	13,385
Net Operating Revenues	16,449,833	6,926
Other Income (including \$214,668 Hire of Equipment) ..	1,181,534	497
Gross Corporate Income	17,631,367	7,423
Fixed Charges (including for Taxes, \$1,587,407)	10,752,151	4,527
Surplus	6,879,216	2,896

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$5,553,447	\$2,338
Maintenance of Equipment	10,561,094	4,447
Traffic Expenses	645,188	272
Transportation Expenses	*13,786,918	5,805
Miscellaneous Operations and General Expenses	1,242,532	523

Ratio of Operating Expenses to Operating Revenues 65.9 per cent.

*After deducting \$22,768 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	32.6%	31.9%	30.4%	31.1%	29.6%	30.3%
For Traffic and Other Operating Expenses	31.7%	26.0%	35.6%	34.4%	33.0%	33.5%
For Fixed Charges	21.8%	25.5%	26.3%	25.7%	25.6%	26.7%
For Surplus	13.9%	6.6%	7.7%	8.8%	11.8%	9.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	4,335,013	3,435,061	3,011,617	2,886,968
Passenger miles per mile of road	118,453	113,700	124,330	115,155
Miles, second and additional main track	601	575	575	575
Miles, yards and sidings	1,024	1,003	983	971

See Notes, page 347.

FLORIDA EAST COAST RY.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1909	583		\$3,687,434	\$813,920	1913-14	696		\$5,347,819	\$741,215
1910-11	583		4,181,278	867,131	1914-15	745		5,392,782	1,213,319
1911-12	605		4,432,304	551,220	1915-16	745		6,374,933	2,132,887
1912-13	642		5,037,056	540,431					

STOCK OUTSTANDING

June 30, 1916.

Common	\$10,000,000
Income Bonds (5%)	25,000,000
Loans and Bills Payable, June 30, 1916,	\$2,940,381.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$12,000,000
Equipment	300,000

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$35,000,000	\$46,980
Bonds	12,300,000	16,510
Total	47,300,000	63,490

Fixed Charges below include \$15,203 for Rentals and \$87,893 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 745.	Total	Per Mile
Operating Revenues	\$6,374,933	\$8,557
Operating Expenses	3,726,667	5,002
Net Operating Revenues	2,648,266	3,555
Other Income (*net from Water Lines)	560,631	752
Gross Corporate Income	3,208,897	4,307
Fixed Charges (including for Taxes, \$326,855)	1,076,007	1,444
*Surplus (before deducting \$1,250,000 Int. on Inc. Bonds)	2,132,887	2,863

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$805,011	\$1,082
Maintenance of Equipment	795,253	1,067
Traffic Expenses	112,075	150
Transportation Expenses	†1,737,336	2,332
General Expenses	276,992	371

Ratio of Operating Expenses to Operating Revenues 58.5 per cent.

*Revenue \$829,549; Expenses, \$268,918.

†After deducting \$28,460 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	23.2%	25.4%	30.0%	29.3%	28.7%	26.0%
For Traffic and Other Operating Expenses	30.6%	36.1%	38.3%	41.2%	40.9%	36.0%
For Fixed Charges	15.5%	16.2%	17.8%	18.8%	18.1%	17.4%
For Surplus	30.7%	22.3%	13.9%	10.7%	12.3%	20.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	*377,757	*219,988	214,854	222,907
Passenger miles per mile of road	93,909	93,141	109,304	107,792
Miles, yards and sidings	187	123	123	116

*Does not include tonnage of Water Line.

See Notes, page 351.

GEORGIA SOUTHERN & FLORIDA RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	358	\$1,635,191	\$154,898	1909-10	395	\$2,322,158	\$151,125
1903-4	395	1,693,541	143,885	1910-11	395	2,399,398	254,025
1904-5	395	1,714,702	135,677	1911-12	395	2,447,529	174,990
1905-6	395	1,944,946	160,159	1912-13	395	2,566,890	195,479
1906-7	395	2,273,345	118,275	1913-14	395	2,596,549	150,253
1907-8	395	1,963,546	109,398	1914-15	395	2,215,773	5,020
1908-9	395	1,996,937	200,288	1915-16	402	2,445,408	219,785

STOCK OUTSTANDING

June 30, 1916.	
Common	\$2,000,000
*Preferred 1st (5%)	634,000
*Preferred 2d (5%)	1,084,000

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$5,838,000
Equipment	903,000
Notes	249,265

*See Notes as to provisions governing the payment of Dividends.
Loans and Bills Payable, June 30, 1916, \$145,710.

CAPITALIZATION

	Total	Per Mile
Stock	\$3,768,000	\$9,373
Bonds	6,990,265	17,389
Total	10,758,265	26,762

Fixed Charges below include \$45,516 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 402.	Total	Per Mile
Operating Revenues	\$2,445,408	\$6,083
Operating Expenses	1,833,853	4,562
Net Operating Revenues	611,555	1,521
Other Income (including \$14,376 from Rentals)	103,696	258
Gross Corporate Income	715,251	1,779
Fixed Charges (including for Taxes, \$137,075)	495,466	1,232
Surplus	219,785	547

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$270,527	\$673
Maintenance of Equipment	467,120	1,162
Traffic Expenses	86,264	215
Transportation Expenses	*895,303	2,227
Miscellaneous Operations and General Expenses	114,639	285

Ratio of Operating Expenses to Operating Revenues 75.0 per cent.

*After deducting \$198 Transportation for Investment—Cr.

Other Income above includes \$72,244 from Hire of Equipment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	28.9%	30.7%	30.0%	28.7%	28.8%	29.0%
For Traffic and Other Operating Expenses	43.0%	48.6%	46.6%	46.5%	46.1%	43.4%
For Fixed Charges	19.4%	20.5%	18.0%	17.6%	18.2%	17.5%
For Surplus	8.7%	0.2%	5.4%	7.2%	6.9%	10.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	369,359	340,841	430,161	411,055
Passenger miles per mile of road	75,400	74,599	95,260	93,888
Miles, yards and sidings	110	109	107	104

See Notes, page 352.

MACON, DUBLIN & SAVANNAH R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1904-5	92		\$244,904	\$59,399	1910-11	93		\$468,011	\$39,756
1905-6	92		268,549	53,975	1911-12	93		530,464	50,929
1906-7	93		298,010	4,055	1912-13	93		490,226	*38,702
1907-8	93		350,371	*20,914	1913-14	93		541,192	*5,315
1908-9	93		334,562	*9,405	1914-15	93		452,579	*11,932
1909-10	93		418,464	46,423	1915-16	93		469,054	17,514

*Deficit.

STOCK OUTSTANDING

June 30, 1916.		June 30, 1916.	
Common	 \$2,040,000	*Fixed Interest	 \$1,529,000
*Does not include \$26,000 bonds held in Treasury.			
Notes Payable, June 30, 1916,	\$81,881.		

BONDS OUTSTANDING

CAPITALIZATION

	Total	Per Mile
Stock	\$2,040,000	\$21.936
Bonds	1,529,000	16.441
Total	3,569,000	38.377

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 93.		
Operating Revenues	\$469,054	\$5.044
Operating Expenses	322,475	3.468
Net Operating Revenues	146,579	1.576
Other Income (including \$2,027 from Rents)	3,784	41
Gross Corporate Income	150,363	1.617
Fixed Charges (including for Taxes, \$21,166)	132,849	1.428
Surplus	17,514	189

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$50,141	\$539
Maintenance of Equipment	42,281	455
Traffic Expenses	39,116	421
Transportation Expenses	163,239	1,809
General Expenses	22,698	244

Ratio of Operating Expenses to Operating Revenues 68.8 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	19.5%	22.8%	24.5%	32.5%	24.8%	27.7%
For Traffic and Other Operating Expenses	48.7%	52.7%	51.2%	52.0%	44.2%	42.5%
For Fixed Charges	28.1%	27.2%	25.1%	23.4%	21.4%	21.4%
For Surplus	3.7%	Deficit	Deficit	Deficit	9.6%	8.4%
	100.0%				100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road				344,708
Passenger miles per mile of road				52,096

See Notes, page 353.

NORFOLK SOUTHERN R. R.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1904-5	223	\$879,633	1910-11	607	\$2,955,671
1905-6	223	992,220	1911-12	608	3,284,824
1906-7	442	1,924,265	1912-13	*569	3,334,757
1907-8	582	2,182,972	1913-14	*843	*3,990,020
1908-9	582	2,417,320	1914-15	*860	*3,625,662
1909-10	598	2,690,470	1915-16	*863	*4,352,643

*Does not include operations of Electric Division (47 miles) previously included; beginning 1913-14 includes mileage of Raleigh, Charlotte & Southern Ry. (292 miles), merged. †Deficit.

STOCK OUTSTANDING

June 30, 1916.
Common

\$16,000,000

BONDS OUTSTANDING

June 30, 1916.	June 30, 1916.
*Fixed Interest	\$16,851,000
Equipment	404,196

*Includes all Assumed Bonds; does not include \$2,406,000 Assumed Bonds owned and pledged, and \$2,079,000 Company Bonds owned or held by Trustee.

CAPITALIZATION

	Total	Per Mile
Stock	\$16,000,000	\$18,540
Bonds	17,255,196	19,983
Total	33,255,196	38,523

Fixed Charges below include \$77,396 for Rentals, \$327,796 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

(*Steam Lines.)

	Total	Per Mile
Average miles operated, 863.		
Operating Revenues	\$4,352,643	\$5,043
Operating Expenses	2,844,777	3,296
Net Operating Revenues	1,507,866	1,747
Other Income (including \$291,460 Hire of Equip't—Cr.)	348,186	403
Gross Corporate Income	1,856,052	2,150
Fixed Charges (including for Taxes, \$139,390)	1,469,926	1,703
Surplus	386,126	447

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$516,239	\$598
Maintenance of Equipment	611,537	709
Traffic Expenses	84,955	97
Transportation Expenses	1,432,930	1,661
General Expenses	199,116	231

Ratio of Operating Expenses to Operating Revenues 65.4 per cent.

*Operations of combined Steam and Electric Lines resulted as follows: Operating Revenues \$4,591,924; Net Operating Revenues \$1,523,776; Surplus \$391,010.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	24.0%	26.5%	27.6%	22.6%	23.3%	22.8%
For Traffic and Other Operating Expenses	36.6%	43.5%	40.2%	34.9%	38.1%	37.7%
For Fixed Charges	31.1%	35.3%	34.3%	19.9%	21.2%	19.3%
For Surplus	8.3%	Deficit	Deficit	22.6%	17.4%	20.2%
	100.0%			100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	284,194	191,848	213,193	251,188
Passenger miles per mile of road	48,775	44,225	49,727	66,146
Miles, second and additional main track	11	*9	2	2
Miles, yards and sidings	187	*163	149	114

See Notes, page 353.

NORFOLK & WESTERN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	1,799	\$24,089,260	\$5,833,454	1910-11	1,972	\$35,557,522	\$7,557,386
1905-6	1,853	23,487,766	7,452,375	1911-12	2,010	39,735,237	9,381,674
1906-7	1,876	31,164,381	7,000,320	1912-13	2,023	43,739,921	11,106,641
1907-8	1,881	28,962,217	5,773,909	1913-14	2,036	44,470,619	10,263,140
1908-9	1,925	29,327,102	6,665,433	1914-15	2,042	42,987,044	10,409,905
1909-10	1,945	35,063,870	9,043,165	1915-16	2,059	57,304,586	20,624,059

STOCK OUTSTANDING

June 30, 1916.

*Common	\$118,207,400
Preferred (4%)	22,991,800

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$86,648,500
Equipment	8,912,000

*Include \$10,053,300 Stock issued at par in 1915-16 in exchange for Convertible Bonds.
 †Includes \$3,531,000 4% Bonds and 4% Bonds convertible into Common Stock at par (see Notes). Above total does not include N. & W.—Pocohontas Joint 4% Bonds (\$17,407,000), and \$6,250,000 Guaranteed Bonds (see Notes).

CAPITALIZATION

	Total	Per Mile
Stock	\$141,199,200	\$68,576
Bonds	95,560,000	46,411
Total	236,749,200	114,987

Fixed Charges below include \$128,144 for Rentals and \$61,593 for Rent of Equipment other than Freight Cars.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 2,059.		
Operating Revenues	\$57,304,586	\$27,832
Operating Expenses	32,181,346	15,630
Net Operating Revenues	25,123,240	12,201
Other Income (including \$87,644 from Rentals)	2,126,578	1,033
Gross Corporate Income	27,249,818	13,234
Fixed Charges (including for Taxes \$2,065,000)	6,625,759	3,218
*Surplus	20,624,059	10,016

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$6,571,329	\$3,192
Maintenance of Equipment	10,046,263	4,879
Traffic Expenses	703,055	341
Transportation Expenses	13,862,585	6,733
Miscellaneous Operations and General Expenses	998,114	485

Ratio of Operating Expenses to Operating Revenues 56.2 per cent.

*This Surplus before deducting \$9,053,278 for Additions and Betterments.

†After deducting \$272,528 Transportation for Investment—Cr.

Other Income above includes \$1,011,978 from Hire of Freight Cars—Cr., and \$110,620 from Rent of Other Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	27.9%	31.3%	30.6%	30.5%	30.4%	29.8%
For Traffic and Other Operating Expenses	26.2%	30.5%	33.8%	32.3%	32.1%	32.5%
For Fixed Charges	11.2%	15.1%	13.5%	12.8%	14.7%	16.7%
For Surplus	34.7%	23.1%	22.1%	24.4%	22.8%	21.0%

100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
Ton miles per mile of road	5,728,469	4,367,663	4,497,010	4,378,016		
Passenger miles per mile of road	131,269	107,410	112,851	108,756		
Miles, second and additional main track	551	528	494	448		
Miles, yards and sidings	1,313	1,254	1,229	1,151		

See Notes, page 355.

RICHMOND, FREDERICKSBURG & POTOMAC R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1903-4	85	\$1,522,332	\$400,528	1909-10	83	\$2,331,548	\$742,381
1904-5	85	1,598,189	441,225	1910-11	83	2,386,616	710,578
1905-6	83	1,764,856	521,310	1911-12	83	2,575,535	658,312
1906-7	83	1,981,806	525,166	1912-13	88	2,968,612	807,996
1907-8	83	2,003,114	404,356	1913-14	88	2,978,393	618,632
1908-9	83	2,026,324	588,475	1914-15	88	2,907,830	632,063
				1915-16	88	3,325,719	1,024,370

*STOCK OUTSTANDING

June 30, 1916.

Common	\$1,316,900
Guaranteed	500,400
†Dividend Obligations	3,600,100

*All classes of stock receive 9% annually (see Notes). †Includes \$1,805,800 Dividend Obligations issued as a Special Dividend, February 16, 1916.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$3,180,000
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CAPITALIZATION

	Total	Per Mile
Stock	\$5,417,400	\$61.561
Bonds	3,180,000	36.136
Total	8,597,400	97.697
Fixed Charges below include \$98,905 for Rentals, \$93,516 Hire of Freight Cars—Dr. and \$171,843 Rent for Other Equipment.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 88.		
Operating Revenues	\$3,325,719	\$37.792
Operating Expenses	1,838,912	20,897
Net Operating Revenues	1,486,807	16,895
Other Income (incl. \$2,043 from Rentals)	165,345	1,879
Gross Corporate Income	1,652,152	18,774
Fixed Charges (including for Taxes, \$106,838)	627,782	7,134
*Surplus	1,024,370	11,640

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$245,391	\$2,788
Maintenance of Equipment	367,744	4,179
Traffic Expenses	42,318	481
Transportation Expenses	1,048,731	11,917
Miscellaneous Operations and General Expenses	134,728	1,532

Ratio of Operating Expenses to Operating Revenues 55.3 per cent.

*This Surplus before deducting \$430,167 Appropriated for Investment in Physical Property.

Other Income above includes \$126,531 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses....	17.6%	20.4%	22.0%	21.7%	24.7%	23.8%
For Traffic and other Operat- ing Expenses	35.1%	39.7%	41.2%	38.9%	40.0%	38.1%
For Fixed Charges	17.9%	19.4%	15.0%	12.4%	9.8%	8.4%
For Surplus	29.4%	20.5%	21.8%	27.0%	25.5%	29.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	2,202,701	1,852,164	1,938,734	1,910,599
Passenger miles per mile of road	561,201	464,505	508,426	500,042
Miles, second and additional main track	79	79	79	80
Miles, yards and sidings	76	75	75	71

See Notes, page 359.

SEABOARD AIR LINE RY.

Avg. Miles			Avg. Miles		
Year	Oper.	*Gross	Year	Oper.	*Gross
1904-5	2,611	\$13,619,274	1910-11	3,037	\$21,782,005
1905-6	2,611	15,116,948	1911-12	3,059	22,921,904
1906-7	2,611	16,427,943	1912-13	3,074	24,527,865
1907-8	2,611	15,675,449	1913-14	3,084	25,291,758
1908-9	2,609	16,451,677	1914-15	3,106	21,280,463
1909-10	2,997	20,068,772	1915-16	†3,449	24,494,789

*Does not include earnings of Water Lines. †Deficit. ‡Includes Lines merged in Reorganization (1909-10), also the Carolina, Atlantic & Western Ry., 326 miles merged, November 16, 1915.

*STOCK OUTSTANDING

†BONDS OUTSTANDING

June 30, 1916.		June 30, 1916.	
Common	\$38,919,400	Fixed Interest	\$94,591,560
Preferred (4-2%)	23,894,100	Equipment	5,608,602
Preferred (6%)	1,050,600	Adjustment Bonds (5%)	25,000,000

*Does not include \$1,121,600 Common Stock, \$1,105,900 4-2% Preferred Stock and \$1,222,500 6% Preferred Stock owned (of which \$1,205,000 6% Preferred Stock is pledged). †Does not include \$52,231,000 Bonds owned and pledged and \$2,924,500 Bonds in Treasury.

CAPITALIZATION

	Total	Per Mile
Stock	\$63,864,100	\$18,517
Bonds	125,200,102	36,300
Total	189,064,202	54,817

Fixed Charges below include \$207,527 for Rentals, \$101,381 for Hire of Equipment—Dr. and \$1,250,000 Interest (5%) on \$25,000,000 Adjustment Mortgage Sinking Funds.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 3,449.	Total	Per Mile
Operating Revenues	\$24,494,789	\$7,102
Operating Expenses	16,332,546	4,735
Net Operating Revenues	8,162,243	2,367
Other Income (incl. \$214,077 from Rentals)	428,573	124
Gross Corporate Income	8,590,816	2,491
Fixed Charges (including for Taxes, \$1,170,826)	7,320,838	2,122
*Surplus	1,269,978	368

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,924,293	\$848
Maintenance of Equipment	3,496,061	1,013
Traffic Expenses	825,213	239
Transportation Expenses	†8,190,368	2,375
Miscellaneous Operations and General Expenses	896,611	260

Ratio of Operating Expenses to Operating Revenues 66.7 per cent.

†After deducting \$138 Transportation for Investment—Cr.

*This Surplus before deducting \$309,548 Annual Allotment of Discount on Securities (total unextinguished discount on June 30, 1916, \$10,878,129; credit to Profit and Loss Account was \$8,057,446).

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	25.8%	25.7%	25.4%	25.7%	23.4%	26.1%
For Traffic and Other Operating Expenses	39.8%	43.0%	42.3%	41.9%	42.2%	39.9%
For Fixed Charges	29.3%	29.7%	25.8%	25.4%	25.9%	26.2%
For Surplus	5.1%	1.6%	6.5%	7.0%	3.5%	7.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	491,254	432,206	510,668	500,539
Passenger miles per mile of road	67,704	68,205	80,309	77,247
Miles, second and additional main track	22	22	13	..
Miles, yards and sidings	934	867	858	818

See Notes, page 360.

SOUTHERN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	7,199	\$48,145,108	\$5,151,632	1910-11	7,042	\$60,345,063	\$6,670,003
1905-6	7,374	53,641,439	5,229,066	1911-12	7,088	63,590,329	6,763,117
1906-7	7,547	56,657,994	2,290,321	1912-13	7,036	63,523,490	7,078,625
1907-8	7,489	52,941,716	401,850	1913-14	7,033	69,533,697	4,839,706
1908-9	7,170	52,188,107	3,589,385	1914-15	7,031	62,199,510	1,656,682
1909-10	7,050	57,294,508	5,757,019	1915-16	*7,023	69,997,675	9,333,899

*Includes 496 miles trackage.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$120,000,000
Preferred (5%)	60,000,000

BONDS OUTSTANDING

June 30, 1916.	
*Fixed Interest	\$217,500,700
Equipment	17,435,000
†Notes	15,000,000

*Does not include \$43,599,000 outstanding bonds and stock of Leasehold Estates and \$40,-670,200 bonds owned (\$27,267,000 pledged). Includes \$5,650,200 Southern Ry.-Mobile & Ohio Stock Trust Certificates. †\$5,000,000 due February 1, 1917, and †\$10,000,000 due March 2, 1917.

CAPITALIZATION

	Total	Per Mile
Stock	\$180,000,000	\$25,630
Bonds	247,691,700	35,268
Total	427,691,700	60,898

Fixed Charges below include \$2,873,433 for Rentals, including \$1,778,523 Rent for Leased Road (mostly interest and dividends on securities of Leasehold Estates), \$679,355 Hire of Equipment—Dr., \$226,008 Dividends on So. Ry.—M. & O. Stock Trust Cdfs, and \$189,319 Loss Separately Operated Properties.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 7,023.		
Operating Revenues	\$69,997,675	\$9,967
Operating Expenses	46,041,116	6,556
Net Operating Revenues	23,956,559	3,411
Other Income (including \$518,336 from Rentals)	3,422,026	487
Gross Corporate Income	27,378,585	3,898
Fixed Charges (including for Taxes, \$2,916,427)	8,044,686	2,569
*Surplus	9,333,899	1,329

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$8,175,411	\$1,164
Maintenance of Equipment	11,183,701	1,593
Traffic Expenses	1,904,129	271
Transportation Expenses	†22,335,005	3,180
Miscellaneous Operations and General Expenses	2,442,870	348

Ratio of Operating Expenses to Operating Revenues 65.7 per cent.

*This Surplus before deducting \$88,195 for Additions and Betterments.

†After deducting \$416,694 Transportation for Investment—Cr.

Other Income above includes \$1,271,256 Dividend Income and \$1,586,089 Income from Funded and Unfunded Securities and Accounts.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	26.4%	29.3%	29.0%	28.6%	26.7%	26.6%
For Traffic and Other Operating Expenses	36.3%	41.3%	40.5%	38.5%	38.3%	37.7%
For Fixed Charges	24.6%	26.9%	23.9%	23.1%	24.9%	25.2%
For Surplus	12.7%	2.5%	6.6%	9.8%	10.1%	10.5%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	719,571	598,178	651,833	650,581
Passenger miles per mile of road	111,511	107,936	126,306	120,068
Miles, second and additional main track	491	434	403	385
Miles, yards and sidings		2,430	2,341	2,298

See Notes, page 363.

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Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1907-8	170	\$1,062,500	\$137,458	1912-13	240	\$1,806,627	\$314,539
1908-9	188	1,136,286	133,962	1913-14	240	1,939,104	269,399
1909-10	188	1,196,164	114,613	1914-15	240	1,799,301	106,630
1910-11	227	1,393,448	109,288	1916-16	*231	1,959,705	299,089
1911-12	240	1,757,924	266,951				

*Includes 22 miles of trackage.

Note: This property was leased to the Southern Ry. beginning July 1, 1916.

BONDS OUTSTANDING

	June 30, 1916.		June 30, 1916.	
Common	\$2,000,000	Fixed Interest	\$7,000,000	
		Equipment	944,000	

CAPITALIZATION

	Total	Per Mile
Stock	\$2,000,000	\$8,658
Bonds	7,944,000	34,390
Total	9,944,000	43,048

Fixed Charges below include \$24.105 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 231.	Total	Per Mile
Operating Revenues	\$1,959,705	\$8,484
Operating Expenses	1,461,964	6,329
Net Operating Revenues	497,741	2,155
Other Income (including \$5,639 from Rentals)	242,583	1,050
Gross Corporate Income	740,324	3,205
Fixed Charges (including for Taxes, \$85,428)	511,235	2,213
Surplus	229,089	992

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$308,180	\$1,334
Maintenance of Equipment	535,793	2,321
Traffic Expenses	26,082	113
Transportation Expenses	539,946	2,337
General Expenses	51,963	1,224

Ratio of Operating Expenses to Operating Revenues	79.0 per cent.
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Other Income above includes \$232,562 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	38.3%	37.3%	34.6%	33.5%	30.6%	31.5%
For Traffic and Other Operat- ing Expenses	37.5%	30.3%	29.4%	27.4%	30.2%	32.3%
For Fixed Charges	23.2%	27.0%	23.4%	23.8%	25.0%	28.8%
For Surplus	1.0%	5.4%	12.6%	15.3%	14.2%	7.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	972,992	824,299	834,833	778,256
Passenger miles per mile of road ...	27,831	23,865	27,693	25,850
Miles, yards and sidings	95	111	109	107

See Notes, page 372.

VIRGINIAN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1909-10	448	\$2,063,190	*\$1,681,467	1913-14	503	\$6,340,079	\$1,260,853
1910-11	475	3,671,224	*1,113,355	1914-15	504	5,820,406	737,921
1911-12	475	4,837,598	*748,401	1915-16	505	7,390,382	1,868,255
1912-13	491	5,842,584	1,018,437				

*Deficit.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$31,271,500
*Preferred (5%)	27,955,000
*Cumulative.	

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$29,500,000
Equipment	937,000

CAPITALIZATION

	Total	Per Mile
Stock	\$59,226,500	\$117,280
Bonds	30,437,000	60,271
Total	89,663,500	177,551

Fixed Charges below include \$237,901 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 505.		Total	Per Mile
Operating Revenues		\$7,390,382	\$14,634
Operating Expenses		3,844,626	7,613
Net Operating Revenues		3,545,756	7,021
Other Income (including \$17,678)		316,009	626
Gross Corporate Income		3,861,765	7,647
Fixed Charges (including for Taxes, \$236,100)		1,993,510	3,948
Surplus		1,868,255	3,699

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$760,604	\$1,506
Maintenance of Equipment	1,229,934	2,436
Traffic Expenses	65,097	129
Transportation Expenses	*1,446,491	2,864
Miscellaneous Operations and General Expenses	342,500	678

Ratio of Operating Expenses to Operating Revenues 52.0 per cent.

*After deducting \$16,104 Transportation for Investment—Cr.

Other Income above includes \$65,395 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..25.8%	29.4%	27.7%	29.6%	30.5%	28.3%	
For Traffic and Other Operat- ing General Expenses	24.1%	26.6%	25.2%	24.9%	29.7%	29.5%
For Fixed Charges	25.9%	31.8%	28.2%	29.1%	55.0%	71.7%
For Surplus	24.2%	12.2%	18.9%	16.4%	Deficit	Deficit
	100.0%	100.0%	100.0%	100.0%		

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	3,786,950	2,934,450	3,368,816	3,174,355
Passenger miles per mile of road	33,977	30,976	30,133	27,480
Miles, second and additional main track	7	6	5	1
Miles, yards and sidings	237	232	216	212

See Notes, page 372.

WESTERN MARYLAND RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906-7	543	\$5,600,455	\$10,964	1911-12	543	\$7,243,058	\$647,271
1907-8	543	5,648,277	†359,990	1912-13	543	7,632,679	†414,973
1908-9	543	5,952,696	123,163	1913-14	*661	8,267,736	†2,715,665
1909-10	543	7,081,857	988,729	1914-15	661	8,683,459	†967,905
1910-11	543	7,200,934	760,336	1915-16	689	10,930,369	539,693

*Includes Cumberland-Connellsville Extension. †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$49,429,198
Preferred	10,028,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$50,293,700
Equipment	2,657,138
*Notes	13,000,000
Other	67,088

*Matured July, 1915, \$10,000,000 5% and \$3,000,000 6% (see Notes).

Loans and Bills Payable, June 30, 1916, \$4,985,000; Profit and Loss Debit \$2,606,018. On that date \$13,297,350 was carried among the Assets of the Company representing Unextinguished Discount on Securities.

CAPITALIZATION

	Total	Per Mile
Stock	\$59,457,198	\$86,295
Bonds	66,017,926	95,817
Total	125,475,124	182,112

Fixed Charges below include \$125,780 for Rentals and \$74,831 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 689.		
Operating Revenues	\$10,930,369	\$15,864
Operating Expenses	7,039,608	10,217
Net Operating Revenues	3,890,761	5,647
Other Income (including \$37,286 from Rentals)	312,962	454
Gross Corporate Income	4,203,723	6,101
Fixed Charges (including for Taxes, \$348,740)	3,664,030	5,318
Surplus	539,693	783

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,269,245	\$1,842
Maintenance of Equipment	1,736,704	2,521
Traffic Expenses	257,528	374
Transportation Expenses	3,445,260	5,000
General Expenses	330,871	480

Ratio of Operating Expenses to Operating Revenues 64.4 per cent.

Other Income above includes \$205,145 Net Income from Coal Companies and Miscellaneous Properties.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	26.7%	30.0%	40.9%	27.4%	23.5%	22.0%
For Traffic and Other Operating Expenses	35.9%	39.9%	51.5%	41.4%	36.3%	35.1%
For Fixed Charges	32.6%	40.2%	39.6%	35.9%	32.3%	33.1%
For Surplus	4.8%	Deficit	Deficit	Deficit	7.9%	9.8%
	100.0%				100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	2,768,626	2,114,277	1,877,527	1,994,672
Passenger miles per mile of road	71,724	74,133	82,361	101,660
Miles, second and additional main track	71	71	71	45
Miles, yards and sidings	328	325	332	266

See Notes, page 374.

WRIGHTSVILLE & TENNILLE R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	77	\$169,414	\$61,651	1909-10	*105	\$301,178	\$83,889
1903-4	77	167,587	41,439	1910-11	*105	327,112	67,505
1904-5	77	186,225	67,400	1911-12	*105	348,993	53,467
1905-6	77	199,521	64,727	1912-13	*104	306,583	20,172
1906-7	*105	274,720	48,125	1913-14	*104	352,119	75,058
1907-8	*105	270,977	45,722	1914-15	*104	271,368	17,417
1908-9	*105	260,881	47,993	1915-16	*104	264,339	†4,083

*Includes Dublin & Southwestern R. R. (28 miles), merged during 1906-7. †Deficit.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$530,000
Preferred (6%)	70,000

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$200,000

CAPITALIZATION

	Total	Per Mile
Stock	\$600,000	\$5,769
Bonds	200,000	1,923
Total	800,000	7,692
Fixed Charges below include \$2,665 for Rentals and \$12,453 for Hire of Equipment.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 104.		
Operating Revenues	\$264,339	\$2,542
Operating Expenses	229,149	2,203
Net Operating Revenues	35,190	339
Other Income (including \$2,043 from Rentals)	4,292	41
Gross Corporate Income	39,482	380
Fixed Charges (including for Taxes, \$18,327)	43,565	419
Deficit	4,083	39

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$58,764	\$565
Maintenance of Equipment	40,315	388
Traffic Expenses	8,516	82
Transportation Expenses	101,068	972
General Expenses	20,486	197
Ratio of Operating Expenses to Operating Revenues 86.6 per cent.		

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	36.9%	34.4%	27.1%	35.4%	32.7%	29.2%
For Traffic and Other Operating Expenses	48.4%	46.1%	38.7%	45.6%	39.6%	39.7%
For Fixed Charges	16.2%	13.2%	11.7%	12.5%	12.5%	10.6%
For Surplus	Deficit	6.3%	22.5%	6.5%	15.2%	20.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	49,308	51,132	71,034	62,263
Passenger miles per mile of road ...	30,344	29,277	42,539	37,196
Miles, yards and sidings	18	17	17	17

See Notes, page 379.

ALABAMA & VICKSBURG RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	143	\$1,353,043	\$190,037	1910-11	143	\$1,741,983	366,257
1905-6	143	1,380,247	207,942	1911-12	143	1,605,190	258,029
1906-7	143	1,554,961	258,920	1912-13	143	1,861,937	355,055
1907-8	143	1,510,761	230,601	1913-14	143	1,830,544	199,318
1908-9	143	1,526,357	239,096	1914-15	143	1,493,067	236,210
1909-10	143	1,672,350	442,028	1915-16	143	1,684,825	370,517

STOCK OUTSTANDING

June 30, 1916.

*Common\$2,100,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$2,007,785

*Increased from \$1,050,000 in June, 1910, new Stock having been distributed as a Dividend of 100% pro rata to Stockholders, to cover the cost of Additions and Improvements to property paid for out of Income for the ten years preceding. The Additions and Betterments thus capitalized cost \$1,115,492.

CAPITALIZATION

	Total	Per Mile
Stock	\$2,100,000	\$14,685
Bonds	2,007,785	14,041
Total	4,107,785	28,726

Fixed Charges below include \$13,586 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 143.		Total	Per Mile
Operating Revenues		\$1,684,825	\$11,782
Operating Expenses		1,273,203	8,903
Net Operating Revenues		411,622	2,879
Other Income (including \$29,098 from Rentals)		196,647	1,374
Gross Corporate Income		608,269	4,254
Fixed Charges (including for Taxes, \$112,371)		237,752	1,663
Surplus		370,517	2,591

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$205,433	\$1,437
Maintenance of Equipment	357,941	2,503
Traffic Expenses	44,745	313
Transportation Expenses	573,893	4,013
Miscellaneous Operations and General Expenses	91,191	637

Ratio of Operating Expenses to Operating Revenues 75.6 per cent.

Other Income above includes \$59,049 from Hire of Equipment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	30.0%	34.0%	36.5%	33.2%	33.2%	30.7%
For Traffic and Other Operating Expenses	37.7%	40.2%	41.2%	38.2%	40.3%	39.3%
For Fixed Charges	12.6%	12.5%	11.8%	10.5%	11.2%	9.8%
For Surplus	19.7%	13.3%	10.5%	18.1%	15.3%	20.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	857,703	780,216	868,262	890,072
Passenger miles per mile of road	116,524	111,914	138,469	135,418
Miles, yards and sidings	54	56	54	52

See Notes, page 380.

ALABAMA GREAT SOUTHERN R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	310	\$2,749,818	\$381,130	1909-10	309	\$4,221,006	\$928,572
1903-4	310	3,039,445	320,612	1910-11	309	4,479,120	955,039
1904-5	310	3,308,300	324,984	1911-12	309	4,775,891	1,012,596
1905-6	310	3,774,620	398,464	1912-13	309	5,231,985	1,134,620
1906-7	310	4,168,478	413,677	1913-14	309	5,385,307	757,187
1907-8	310	3,551,501	413,037	1914-15	309	4,776,630	626,174
1908-9	310	3,560,292	550,254	1915-16	*310	5,641,402	1,460,358

*Includes 19 miles trackage.

STOCK OUTSTANDING

June 30, 1916.

Common	\$7,830,000
Preferred (6%)	3,380,350

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$8,184,442
Equipment	1,468,701

CAPITALIZATION

	Total	Per Mile
Stock	\$11,210,350	\$36,163
Bonds	9,653,143	31,139
Total	20,863,493	67,302
Fixed Charges below include \$115,973 for Rentals and \$131,303 Loss Separately Operated Properties.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 310.		
Operating Revenues	\$5,641,402	\$18,198
Operating Expenses	3,761,383	12,133
Net Operating Revenues	1,880,019	6,065
Other Income (including \$52,711 from Rentals)	383,915	1,238
Gross Corporate Income	2,263,934	7,303
Fixed Charges (including for Taxes, \$198,420)	803,576	2,592
*Surplus	1,460,358	4,711

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$498,852	\$1,609
Maintenance of Equipment	1,341,320	4,327
Traffic Expenses	160,321	517
Transportation Expenses	*1,617,678	5,218
Miscellaneous Operations and General Expenses	143,213	462

Ratio of Operating Expenses to Operating Revenues 70.2 per cent.

*After deducting \$4,028 Transportation for Investment—Cr.

Other Income above includes \$29,334 Income from Investments and \$203,111 from Hire of Equipment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	30.5%	34.0%	36.4%	31.6%	31.4%	32.4%
For Traffic and Other Operating Expenses	31.8%	38.8%	37.0%	35.2%	34.1%	32.9%
For Fixed Charges	13.3%	14.7%	13.5%	13.4%	14.9%	15.5%
For Surplus	24.4%	12.5%	13.1%	19.8%	19.6%	19.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	2,127,602	1,786,851	1,860,994	1,742,724
Passenger miles per mile of road	171,442	152,162	196,216	197,029
Miles, second and additional main track	48	23	.....	.....
Miles, yards and sidings	186	195	190	185

See Notes, page 381.

CINCINNATI, NEW ORLEANS & TEXAS PACIFIC RY.

(Lessee of Cincinnati Southern Ry.)

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1902-3	336	\$6,155,455	1909-10	335	\$9,079,471
1903-4	336	6,768,744	1910-11	335	9,205,405
1904-5	336	7,358,618	1911-12	335	9,756,266
1905-6	336	8,454,896	1912-13	335	10,445,169
1906-7	336	8,763,775	1913-14	335	10,872,690
1907-8	335	7,861,378	1914-15	335	9,422,251
1908-9	335	7,826,982	1915-16	335	11,060,440
		1,194,999			2,254,623

STOCK OUTSTANDING

June 30, 1916.

Common\$2,990,000

*Preferred (5%)2,453,400

*Cumulative.

BONDS OUTSTANDING

June 30, 1916.

Equipment\$2,300,000

CAPITALIZATION

	Total	Per Mile
Stock	\$5,443,400	\$16.249
Equipment Obligations	2,300,000	6.866
Total	7,743,400	23.115

Fixed Charges below include \$1,235,823 for Rental due City of Cincinnati, \$69,735 Joint Facility Rentals and \$30,352 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 335.		Total	Per Mile
Operating Revenues		\$11,060,440	\$33.016
Operating Expenses		7,592,379	22.664
Net Operating Revenues		3,468,061	10.352
Other Income (including \$388,654 Hire of Equipment)		524,131	1.565
Gross Corporate Income		3,992,192	11.917
Fixed Charges (including for Taxes, \$380,147)		1,737,569	5.187
*Surplus		2,254,623	6.730

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,092,408	\$3.261
Maintenance of Equipment	2,705,302	8.076
Traffic Expenses	302,480	.903
Transportation Expenses	\$3,164,985	9.447
General Expenses	327,204	.977

Ratio of Operating Expenses to Operating Revenues 68.6 per cent.

*This Surplus before deducting \$1,004,291 for Additions and Betterments reverting to Lessor.

†After deducting \$175 Transportation for Investment—Cr.

Other Income above includes \$18,790 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	32.8%	33.1%	34.0%	31.7%	31.5%	30.3%
For Traffic and Other Operating Expenses	32.5%	36.5%	33.9%	32.3%	32.9%	33.1%
For Fixed Charges	14.9%	17.5%	15.2%	15.5%	16.3%	16.8%
For Surplus	18.8%	12.9%	16.9%	20.5%	19.3%	19.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	3,516,218	2,938,915	3,291,111	3,200,102
Passenger miles per mile of road ...	259,170	247,391	289,210	258,566
Miles, second and additional main track	128	125	119	91
Miles, yards and sidings	255	256	251	238

See Notes, page 381.

GULF & SHIP ISLAND R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	251	\$1,705,047	\$433,717	1909-10	307	\$2,094,076	\$291,339
1903-4	261	1,829,815	333,313	1910-11	307	2,006,790	288,967
1904-5	275	1,877,397	179,450	1911-12	308	1,982,740	204,570
1905-6	284	2,138,778	401,275	1912-13	308	2,114,620	†400,391
1906-7	307	2,485,949	317,472	1913-14	308	1,995,766	†269,400
1907-8	307	2,066,328	*7,768	1914-15	308	1,633,006	†206,476
1908-9	307	1,873,196	4,658	1915-16	308	1,964,177	†504,533

*Deficit. †Surplus before deducting payments account Sinking and Other Reserve Funds. Surplus for previous years as stated above is after making similar deductions.

STOCK OUTSTANDING

June 30, 1916.

Common\$7,000,000

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest\$5,550,000

*Includes \$550,000 6% bonds of which \$200,000 mature April 1, 1917, and \$50,000 Annually beginning May 1, 1918.

CAPITALIZATION

	Total	Per Mile
Stock	\$7,000,000	\$22,727
Bonds	5,550,000	18,019
Total	12,550,000	40,746

Fixed Charges below include \$9,846 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 308.		Total	Per Mile
Operating Revenues		\$1,964,177	\$6,377
Operating Expenses		1,141,127	3,705
Net Operating Revenues		823,050	2,672
Other Income (including \$10,500 from Rentals)		16,982	55
Gross Corporate Income		840,032	2,727
Fixed Charges (including for Taxes, \$83,737)		335,499	1,089
*Surplus		504,533	1,638

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$171,929	\$558
Maintenance of Equipment	309,775	1,006
Traffic Expenses	37,572	122
Transportation Expenses	528,356	1,715
General Expenses	93,495	304

Ratio of Operating Expenses to Operating Revenues 58.1 per cent.

*This Surplus before deducting \$90,391 Income applied to Sinking and Other Reserve Funds (\$85,426, 1914-15; \$80,994, 1913-14; \$76,849, 1912-13).

Other Income above includes \$1,307 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1910-11
For Maintenance Expenses ..24.3%	33.6%	33.4%	31.0%	31.5%	30.7%
For Traffic and Other Operating Expenses	33.3%	33.2%	35.0%	33.0%	34.3%
For Fixed Charges	16.9%	20.8%	18.2%	17.3%	21.7%
For Surplus	25.5%	12.4%	13.4%	18.7%	10.2%
	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	295,089	250,912	279,207	295,577
Passenger miles per mile of road	42,053	36,919	46,456	47,300
Miles, yards and sidings	101	98	98	98

See Notes, page 383.

LOUISIANA & ARKANSAS RY.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1903-4	148	\$704,671	\$115,457	1910-11	255	\$1,432,638	\$267,326
1904-5	167	844,535	201,522	1911-12	255	1,495,111	217,609
1905-6	187	1,057,526	233,759	1912-13	255	1,673,459	279,299
1906-7	226	1,216,837	225,484	1913-14	275	1,700,208	199,476
1907-8	226	1,144,522	184,549	1914-15	279	1,679,951	193,240
1908-9	226	1,186,401	204,640	1915-16	279	1,652,092	222,653
1909-10	240	1,322,761	297,350				

STOCK OUTSTANDING

BONDS OUTSTANDING

Common	June 30, 1916.	Fixed Interest	June 30, 1916.
.....	\$5,000,000	.....	\$5,358,000

CAPITALIZATION

	Total	Per Mile
Stock	\$5,000,000	\$17,921
Bonds	5,358,000	19,204
Total	10,358,000	37,125
Fixed Charges below include \$30,058 for Rentals and \$12,717 Hire of Freight Cars—Dr.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 279..		
Operating Revenues	\$1,652,092	\$5,922
Operating Expenses	1,069,112	3,832
Net Operating Revenues	582,980	2,090
Other Income (including \$28,609 from Rentals)	47,885	172
Gross Corporate Income	630,865	2,262
Fixed Charges (including for Taxes, \$92,562)	408,212	1,463
*Surplus	222,653	799

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$294,361	\$1,055
Maintenance of Equipment	258,087	925
Traffic Expenses	39,995	143
Transportation Expenses	425,907	1,527
General Expenses	50,762	182

Ratio of Operating Expenses to Operating Revenues 64.7 per cent.

*Profit and Loss Account was charged in 1915-16 the sum of \$75,000 Reserve set aside for Sinking Fund.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..32.5%	33.9%	34.5%	30.6%	30.7%	28.6%	
For Traffic and Other Operating Expenses	30.4%	30.7%	30.7%	31.0%	32.0%	30.5%
For Fixed Charges	24.0%	24.2%	23.3%	22.0%	23.1%	23.5%
For Surplus	13.1%	11.2%	11.5%	16.3%	14.2%	17.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	499,059	494,890	393,802	451,028
Passenger miles per mile of road	25,095	27,265	36,962	35,599

See Notes, page 384.

LOUISIANA RAILWAY & NAVIGATION CO.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Deficit	Year	Oper.	Gross	Deficit
1910-11	350	\$1,699,605	\$161,854	1913-14	351	\$1,971,718	\$294,883
1911-12	350	1,783,970	157,343	1914-15	351	2,023,697	296,883
1912-13	351	1,891,823	180,023	1915-16	351	2,180,030	66,935

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.

June 30, 1916.

Common\$8,131,000 Fixed Interest\$10,545,000

CAPITALIZATION

	Total	Per Mile
Stock	\$8,131,000	\$23,165
Bonds	10,545,000	30,043
Total	18,545,000	53,208

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 351.		
Operating Revenues	\$2,180,030	\$6,210
Operating Expenses	1,512,785	4,309
Net Operating Revenues	667,245	1,901
Other Income	12,969	37
Gross Corporate Income	680,214	1,938
Fixed Charges (including for Taxes, \$113,954)	746,149	2,126
Deficit	65,935	188

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$317,634	\$905
Maintenance of Equipment	327,992	934
Traffic Expenses	75,455	215
Transportation Expenses	727,761	2,073
General Expenses	63,943	182

Ratio of Operating Expenses to Operating Revenues 69.4 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	29.4%	29.5%	30.2%	26.8%	24.7%
For Traffic and Other Operat- ing Expenses	39.5%	45.9%	47.7%	46.4%	46.4%
For Fixed Charges	34.0%	39.2%	37.0%	36.1%	37.4%
For	Deficit	Deficit	Deficit	Deficit	Deficit

See Notes, page 384.

LOUISVILLE & NASHVILLE R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	3,826	\$38,517,071	\$6,827,040	1910-11	4,598	\$53,993,741	\$8,555,333
1905-6	4,131	43,008,996	6,348,375	1911-12	4,710	56,211,788	9,560,772
1906-7	4,306	48,263,945	6,450,522	1912-13	4,820	59,465,699	8,380,298
1907-8	4,348	44,620,281	4,514,925	1913-14	4,937	59,682,778	6,678,887
1908-9	4,393	45,425,891	8,587,935	1914-15	5,037	51,606,015	4,860,142
1909-10	4,554	52,433,382	10,413,256	1915-16	5,042	60,317,993	13,958,849

STOCK OUTSTANDING

June 30, 1916.

Common\$72,000,000

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest\$167,410,825

Equipment 4,550,000

Other 356,087

*Does not include \$27,273,340 Company's Bonds in Treasury, \$4,429,000 owned and pledged and \$1,163,000 Bonds held in Sinking Funds; includes one-half L. & N.-So. Ry. Monon, Collateral Joint 4s.

CAPITALIZATION

	Total	Per Mile
Stock	\$72,000,000	\$14,279
Bonds	172,316,912	34,176
Total	244,316,912	48,455

Fixed Charges below include \$794,842 for Rentals, \$90,196 for Rent of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 5,042.		
Operating Revenues	\$60,317,993	\$11,963
Operating Expenses	39,790,481	7,892
Net Operating Revenues	20,527,512	4,071
Other Income (including \$525,873 from Rentals)	4,456,169	884
Gross Corporate Income	24,983,681	4,955
Fixed Charges (including for Taxes, \$2,237,583)	11,029,832	2,188
*Surplus	13,953,849	2,767

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$8,314,204	\$1,649
Maintenance of Equipment	10,910,744	2,164
Traffic Expenses	1,480,733	294
Transportation Expenses	17,528,724	3,476
Miscellaneous Operations and General Expenses	1,556,076	309

Ratio of Operating Expenses to Operating Revenues 66.0 per cent.

*This Surplus before deducting \$74,555 Sinking Fund Payments.

†After deducting \$134,885 Transportation for Investment—Cr.

Other Income above includes \$2,160,710 Income from Dividends and Interest, \$1,363,850 from Hire of Freight Cars—Cr., \$93,498 Rent from Other Equipment and \$129,909 Profit—Separately Operated Properties.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	29.6%	35.1%	34.5%	35.5%	32.2%	33.3%
For Traffic and Other Operating Expenses	31.9%	36.6%	37.1%	36.0%	35.4%	35.4%
For Fixed Charges	17.0%	19.5%	17.7%	15.1%	16.1%	16.0%
For Surplus	21.5%	8.8%	10.7%	13.4%	16.3%	15.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,291,640	1,021,335	1,116,491	1,143,866
Passenger miles per mile of road	105,011	99,242	116,964	113,833

See Notes, page 385.

LOUISVILLE, HENDERSON & ST. LOUIS RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	186	\$808,548	\$104,194	1909-10	200	\$1,176,869	\$93,300
1903-4	186	835,970	126,898	1910-11	200	1,214,693	16,765
1904-5	186	928,687	106,229	1911-12	200	1,279,469	33,309
1905-6	200	951,859	99,926	1912-13	200	1,231,433	*73,620
1906-7	200	1,061,378	103,252	1913-14	200	1,371,798	81,775
1907-8	200	992,652	*37,384	1914-15	200	1,397,190	31,245
1908-9	200	1,023,737	37,810	1915-16	†200	1,617,244	179,820

*Deficit. †Includes '18 miles of trackage.

STOCK OUTSTANDING

	June 30, 1916.
Common	\$2,000,000
Preferred (5%)	2,000,000

BONDS OUTSTANDING

	June 30, 1916.
Fixed Interest	\$3,310,000
Equipment	210,750

CAPITALIZATION

	Total	Per Mile
Stock	\$4,000,000	\$20,000
Bonds	3,520,750	17,604
Total	7,520,750	37,604

Fixed Charges below include \$40,318 for Rentals, \$50,233 for Hire of Freight Cars—Dr., \$10,379 Rent for Other Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 200.		
Operating Revenues	\$1,617,244	\$8,086
Operating Expenses	1,131,512	5,658
Net Operating Revenues	485,732	2,428
Other Income (including \$1,563 from Rentals)	8,752	44
Gross Corporate Income	494,484	2,472
Fixed Charges (including for Taxes, \$45,877)	314,663	1,573
Surplus	179,820	899

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$357,891	\$1,790
Maintenance of Equipment	191,711	959
Traffic Expenses	60,489	302
Transportation Expenses	483,040	2,415
General Expenses	38,381	192

Ratio of Operating Expenses to Operating Revenues 70.0 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	33.8%	36.3%	32.5%	38.1%	35.5%	36.9%
For Traffic and Other Operating Expenses	35.8%	41.2%	41.4%	45.2%	41.2%	40.8%
For Fixed Charges	19.3%	20.3%	20.2%	22.7%	20.7%	20.9%
For Surplus	11.1%	2.2%	5.9%	Deficit	2.6%	1.4%
	100.0%	100.0%	100.0%		100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	921,672	.....	552,577	473,516
Passenger miles per mile of road	94,238	.....	98,539	86,632
Miles, yards and sidings .....	.....	43	41	41

See Notes, page 387.

MISSISSIPPI CENTRAL R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906-7	83	\$550,201	\$103,559	1911-12	164	\$822,762	*\$66,705
1907-8	84	477,010	109,676	1912-13	164	968,536	*155,569
1908-9	164	651,957	47,015	1913-14	164	945,741	*134,117
1909-10	164	848,818	141,390	1914-15	164	771,427	*64,979
1910-11	164	852,899	143,209	1915-16	164	812,696	99,858

*After Sinking Fund deducted.

STOCK OUTSTANDING

June 30, 1916.

Common\$3,940,000

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest\$3,869,500

*Does not include \$230,500 bonds in Sinking Fund.

CAPITALIZATION

	Total	Per Mile
Stock	\$3,940,000	\$24.024
Bonds	3,869,500	23.595
Total	7,809,500	47.619

Fixed Charges below include \$49,200 Sinking Fund Payments.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 164.	Total	Per Mile
Operating Revenues	\$812,696	\$4.955
Operating Expenses	513,536	3.131
Net Operating Revenues	299,160	1.824
Other Income (including \$60,461 Hire of Equipment) ..	84,882	.518
Gross Corporate Income	384,042	2.342
Fixed Charges (including for Taxes, \$29,300)	284,184	1.733
*Surplus	99,858	.609

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$130,131	\$793
Maintenance of Equipment	154,273	941
Traffic Expenses	9,405	58
Transportation Expenses	177,875	1,084
General Expenses	41,852	255
Ratio of Operating Expenses to Operating Revenues	63.2 per cent.	

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	21.7%	33.9%	33.3%	29.8%	32.1%	31.6%
For Traffic and Other Operating Expenses	25.4%	25.2%	26.0%	23.1%	23.5%	27.4%
For Fixed Charges	31.7%	33.3%	27.6%	27.3%	31.9%	25.4%
For Surplus	11.2%	7.6%	13.1%	14.8%	7.5%	15.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	125,461	101,707	146,321	148,524
Passenger miles per mile of road	30,056	31,225	38,145	41,323
Miles, yards and sidings	23	25	25	25

See Notes, page 387.

MOBILE & OHIO R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	874	\$7,486,980	\$747,277	1909-10	*1,114	\$10,636,733	\$552,586
1903-4	912	7,739,706	785,238	1910-11	*1,114	11,197,347	613,849
1904-5	926	8,267,602	989,327	1911-12	*1,114	11,207,732	424,071
1905-6	926	9,445,927	1,209,818	1912-13	*1,119	12,377,650	641,870
1906-7	926	10,759,519	1,333,893	1913-14	*1,122	12,975,431	85,109
1907-8	926	9,649,212	465,920	1914-15	*1,122	10,982,149	328,668
1908-9	*1,114	9,727,726	437,437	1915-16	*1,122	11,868,038	853,130

*Includes 189 miles of trackage.

STOCK OUTSTANDING

June 30, 1916.

Common\$6,016,800

* BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$28,770,000

Equipment 3,553,000

*Does not include \$1,714,200 unpledged and \$501,000 pledged Bonds in Treasury.

Loans and Bills Payable, June 30, 1916, \$698,050.

CAPITALIZATION

	Total	Per Mile
Stock	\$6,016,800	\$5,363
Bonds	32,330,000	28,815
Total	38,346,800	34,178

Fixed Charges below include \$558,573 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,122.		
Operating Revenues	\$11,868,038	\$10,578
Operating Expenses	8,533,737	7,606
Net Operating Revenues	3,334,301	2,972
Other Income (including \$45,916 from Rentals)	257,290	229
Gross Corporate Income	3,591,591	3,201
Fixed Charges (including for Taxes, \$406,384)	2,738,461	2,441
*Surplus	853,130	760

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,185,363	\$1,056
Maintenance of Equipment	2,486,541	2,217
Traffic Expenses	429,098	382
Transportation Expenses	†4,031,048	3,593
General Expenses	401,687	358

Ratio of Operating Expenses to Operating Revenues 71.9 per cent.

*This Surplus before deducting \$5,391 for Additions and Betterments.

†After deducting \$63,692 Transportation for Investment—Cr.

Other Income above includes \$186,761 Hire of Equipment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	30.3%	26.5%	32.0%	29.6%	28.6%	28.0%
For Traffic and Other Operating Expenses	40.1%	45.3%	45.0%	42.1%	42.8%	41.0%
For Fixed Charges	22.6%	25.2%	23.3%	23.2%	24.9%	25.6%
For Surplus	7.0%	3.0%	2.7%	5.1%	3.7%	5.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,424,007	1,295,946	1,424,799	1,389,898
Passenger miles per mile of road	48,959	49,475	61,543	58,045

See Notes, page 388.

NASHVILLE, CHATTANOOGA & ST. LOUIS RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906-7	1,230	\$12,238,472	\$2,233,538	1911-12	1,230	\$12,262,675	\$1,396,180
1907-8	1,230	10,738,253	994,837	1912-13	1,231	13,317,162	1,550,187
1908-9	1,230	11,122,114	1,186,142	1913-14	1,231	12,778,334	1,849,631
1909-10	1,230	11,637,203	1,721,956	1914-15	1,231	10,936,533	824,623
1910-11	1,230	12,323,863	1,630,942	1915-16	1,231	12,670,688	2,337,518

STOCK OUTSTANDING

June 30, 1916.

*Common\$16,000,000

*Includes \$600,000 Stock sold at par in 1912-13, the proceeds having been used to retire 7% bonds.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$11,035,325

CAPITALIZATION

	Total	Per Mile
Stock	\$16,000,000	\$12,998
Bonds	11,035,325	8,964
Total	27,035,325	21,962

Fixed Charges below include \$626,518 Rent for Leased Roads and \$90,515 for Other Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 1,231.	Total	Per Mile
Operating Revenues	\$12,670,688	\$10,293
Operating Expenses	9,439,033	7,668
Net Operating Revenues	3,231,655	2,625
Other Income (including \$23,813 Misc. Operations)	739,716	601
Gross Corporate Income	3,971,371	3,226
Fixed Charges (including for Taxes, \$325,251)	1,633,853	1,327
Surplus	2,337,518	1,899

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,481,600	\$1,203
Maintenance of Equipment	2,329,256	1,892
Traffic Expenses	613,330	498
Transportation Expenses	*4,454,025	3,619
Miscellaneous Operations and General Expenses	560,822	456

Ratio of Operating Expenses to Operating Revenues 74.5 per cent.

*After deducting \$9,942 Transportation for Investment—Cr.

Other Income above includes \$159,896 from Rentals, \$361,404 Hire of Equipment—Cr., and \$57,600 Income from Miscellaneous Physical Property.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	28.4%	32.3%	32.4%	32.5%	31.9%	32.3%
For Traffic and Other Operating Expenses	42.0%	47.0%	43.0%	42.9%	42.4%	40.4%
For Fixed Charges	12.2%	13.5%	10.8%	13.4%	14.7%	14.5%
For Surplus	17.4%	7.2%	13.8%	11.2%	11.0%	12.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	785,662	646,449	676,865	758,451
Passenger miles per mile of road	103,830	98,439	112,070	110,099
Miles, second and additional main track	56	54	44	33
Miles, yards and sidings	510	483	482	471

See Notes, page 389.

NEW ORLEANS & NORTHEASTERN R. R.

*Avg. Miles				*Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	196	\$2,285,036	\$331,330	1909-10	196	\$3,443,102	\$737,811
1903-4	196	2,416,968	322,253	1910-11	196	3,527,931	598,391
1904-5	196	2,563,776	346,923	1911-12	196	3,765,754	438,884
1905-6	196	3,001,977	470,661	1912-13	196	3,764,458	448,866
1906-7	196	3,252,148	505,849	1913-14	196	3,975,710	196,429
1907-8	196	2,865,315	393,407	1914-15	196	3,486,255	271,956
1908-9	196	3,035,088	520,253	1915-16	*196	3,781,662	750,855

*Does not include 8 miles trackage into New Orleans, La.

STOCK OUTSTANDING

June 30, 1916.

Common	\$6,000,000
Income Bonds (4½%)	1,500,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$7,533,000
Equipment	639,000

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$7,500,000	\$38,265
Bonds	8,172,000	41,694
Total	15,672,000	79,959

Fixed Charges below include \$82,878 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 196.		
Operating Revenues	\$3,781,662	\$19,294
Operating Expenses	2,527,344	12,894
Net Operating Revenues	1,254,318	6,400
Other Income (including \$35,541 from Rentals)	135,655	692
Gross Corporate Income	1,389,973	7,092
Fixed Charges (including for Taxes, \$188,399)	639,118	3,261
Surplus	750,855	3,831

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$406,689	\$2,075
Maintenance of Equipment	644,471	3,288
Traffic Expenses	126,135	643
Transportation Expenses	1,139,653	5,815
General Expenses	210,396	1,073

Ratio of Operating Expenses to Operating Revenues 71.8 per cent.

*This Surplus before deducting \$67,500 Interest on Income Bonds.

Other Income above includes \$8,538 from Hire of Equipment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	26.8%	30.5%	31.5%	28.7%	27.3%	24.5%
For Traffic and Other Operating Expenses	37.7%	43.1%	43.6%	43.3%	43.7%	41.8%
For Fixed Charges	16.3%	18.8%	20.1%	16.7%	17.8%	17.2%
For Surplus	19.2%	7.6%	4.8%	11.3%	11.2%	16.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	2,153,369	2,076,000	2,298,565	2,137,423
Passenger miles per mile of road	131,487	116,390	141,041	139,769
Miles, second and additional main track	16	16	16	16
Miles, yards and sidings	106	105	105	101

See Notes, page 390.

NEW ORLEANS GREAT NORTHERN R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1909-10	270	\$1,497,650	\$174,005	1913-14	285	\$1,873,613	\$154,979
1910-11	275	1,697,622	87,948	1914-15	285	1,600,000	†14,064
1911-12	277	1,635,283	5,259	1915-16	*285	1,768,916	235,522
1912-13	277	1,801,344	196,411				

*Includes 42 miles of trackage. †Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.		June 30, 1916.	
Common	\$7,500,000	Fixed Interest	\$8,248,000
		Equipment	175,000

CAPITALIZATION

	Total	Per Mile
Stock	\$7,500,000	\$26,316
Bonds	8,423,000	29,555
Total	15,923,000	55,871

Fixed Charges below include \$88,656 for Rentals and \$21,835 Discount on Securities Issued.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 285.		
Operating Revenues	Total \$1,768,916	Per Mile \$6,206
Operating Expenses	1,000,551	3,510
Net Operating Revenues	768,365	2,696
Other Income (including \$5,060 from Rentals)	42,820	150
Gross Corporate Income	811,185	2,846
Fixed Charges (including for Taxes, \$42,058)	575,663	2,020
Surplus	235,522	826

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$166,159	\$583
Maintenance of Equipment	255,251	896
Traffic Expenses	31,705	111
Transportation Expenses	470,197	1,649
General Expenses	77,239	271

Ratio of Operating Expenses to Operating Revenues 56.6 per cent.
Other Income above includes \$36,549 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	23.3%	28.8%	25.4%	23.6%	27.7%
For Traffic and Other Operating Expenses	31.9%	36.7%	34.8%	35.2%	38.5%
For Fixed Charges	31.8%	35.3%	31.5%	30.4%	33.5%
For Surplus	13.0%	Deficit	8.3%	10.8%	0.3%
	100.0%		100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	355,301	288,527	305,617	283,334
Passenger miles per mile of road	59,351	52,311	68,830	63,691
Miles, yards and sidings	65	65	65	65

See Notes, page 390.

TENNESSEE CENTRAL R. R.

(Receivers appointed for this Company December 31, 1912.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Deficit	Year	Oper.	Gross	Deficit
1909-10	293	\$1,425,583	\$265,508	1913-14	294	\$1,707,339	\$410,969
1910-11	293	1,517,750	251,650	1914-15	294	1,481,403	633,903
1911-12	294	1,543,690	431,479	1915-16	294	1,619,238	512,248
1912-13	294	1,684,335	334,792				

STOCK OUTSTANDING

	June 30, 1916.
Common	\$8,000,000

BONDS OUTSTANDING

	June 30, 1916.
*Fixed Interest	\$12,232,900
Receivers' Ctfs.	345,899

*Interest on these bond issues is mostly in default.

Loans and Bills Payable, June 30, 1916, \$30,000; Interest Matured Unpaid, \$3,448,270.

CAPITALIZATION

	Total	Per Mile
Stock	\$8,000,000	\$27,211
Bonds	12,578,799	42,785
Total	20,578,799	69,996

Fixed Charges below include \$66,740 for Rentals and \$115,830 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 294.		
Operating Revenues	\$1,619,238	\$5,507
Operating Expenses	1,277,846	4,346
Net Operating Revenues	341,392	1,161
Other Income (including \$3,105 Hire of Equipment) ..	5,645	19
Gross Corporate Income	347,037	1,180
Fixed Charges (including for Taxes, \$55,058)	859,285	2,923
Deficit	512,248	1,743

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$308,100	\$1,048
Maintenance of Equipment	229,780	781
Traffic Expenses	69,171	235
Transportation Expenses	*590,013	2,007
General Expenses	80,782	275

Ratio of Operating Expenses to Operating Revenues 78.9 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..33.1%	35.9%	31.7%	30.4%	31.6%	24.5%	
For Traffic and Other Operat- ing Expenses .....45.6%	48.9%	44.2%	43.0%	47.0%	42.0%	
For Fixed Charges .....53.1%	57.9%	48.1%	46.4%	49.4%	50.2%	
For .....Deficit	Deficit	Deficit	Deficit	Deficit	Deficit	

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	362,388	.....	327,576	308,461
Passenger miles per m ^{ile} of road	52,619	.....	59,717	59,475
Miles, yards and sidings	75	.....	74	74

See Notes, page 391.

VICKSBURG, SHREVEPORT & PACIFIC RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	171	\$1,268,523	\$224,642	1909-10	171	\$1,418,312	\$221,315
1903-4	171	1,426,751	229,485	1910-11	171	1,452,312	239,440
1904-5	171	1,424,406	188,619	1911-12	171	1,353,513	146,509
1905-6	171	1,302,225	107,417	1912-13	171	1,705,918	221,921
1906-7	171	1,568,505	153,673	1913-14	171	1,776,777	192,932
1907-8	171	1,427,694	74,851	1914-15	171	1,386,737	109,187
1908-9	171	1,367,111	145,309	1915-16	*171	1,634,180	282,976

*Does not include 17 miles of road leased to the Missouri, Kansas & Texas Ry.

STOCK OUTSTANDING

June 30, 1916.

Common	\$2,856,500
Preferred (5%)	2,142,800

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$3,245,000
Equipment	152,440

CAPITALIZATION

	Total	Per Mile
Stock	\$4,999,300	\$29,236
Bonds	3,397,440	19,868
Total	8,396,740	49,104

Fixed Charges below include \$32,749 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 171.	Total	Per Mile
Operating Revenues	\$1,634,180	\$9,556
Operating Expenses	1,199,275	7,013
Net Operating Revenues	434,905	2,543
Other Income (including \$30,878 from Rentals)	155,704	910
Gross Corporate Income	590,609	3,453
Fixed Charges (including for Taxes, \$105,176)	307,633	1,799
Surplus	282,976	1,654

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$257,419	\$1,506
Maintenance of Equipment	306,477	1,792
Traffic Expenses	42,781	250
Transportation Expenses	*504,592	2,951
Miscellaneous Operations and General Expenses	88,006	514

Ratio of Operating Expenses to Operating Revenues 73.4 per cent.

*After deducting \$661 Transportation for Investment—Cr.

Other Income above includes \$32,314 Per Diem and Hire of Equipment and \$81,639 Dividend Income (\$173,299, 1914-15; \$3,140, 1913-14; See Notes).

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses.....	31.5%	36.4%	35.1%	35.7%	34.7%	33.0%
For Traffic and Other Operating Expenses	35.5%	40.3%	39.7%	37.5%	37.2%	35.3%
For Fixed Charges	17.2%	16.5%	14.7%	14.4%	18.0%	16.3%
For Surplus	15.8%	6.8%	10.5%	12.4%	10.1%	15.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	503,719	447,649	518,405	538,531
Passenger miles per mile of road ...	103,904	95,227	127,344	115,262
Miles, yards and sidings	61	62	61	61

See Notes, page 392.

WESTERN RY. OF ALABAMA.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	132	\$1,030,522	\$315,370	1910-11	133	\$1,293,272	\$173,156
1905-6	133	1,126,105	361,315	1911-12	133	1,391,011	231,694
1906-7	133	1,195,147	304,533	1912-13	133	1,412,153	295,462
1907-8	133	1,143,550	150,712	1913-14	133	1,511,085	302,065
1908-9	133	1,073,099	156,683	1914-15	133	1,252,293	126,066
1909-10	133	1,167,402	221,481	1915-16	133	1,308,758	270,040

STOCK OUTSTANDING

June 30, 1916.

Common\$3,000,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$1,543,000

CAPITALIZATION

	Total	Per Mile
Stock	\$3,000,000	\$22,556
Bonds	1,543,000	11,602
Total	4,543,000	34,158
Fixed Charges below include \$26,197 for Rentals and \$79,603 for Hire of Equipment		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 133.		
	Total	Per Mile
Operating Revenues	\$1,308,758	\$9,840
Operating Expenses	970,494	7,297
Net Operating Revenues	338,264	2,543
Other Income (incl. \$26,338 from Rentals)	178,805	1,344
Gross Corporate Income	517,069	3,887
Fixed Charges (including for Taxes, \$65,471)	247,029	1,857
Surplus	270,040	2,030

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$212,823	\$1,600
Maintenance of Equipment	260,484	1,959
Traffic Expenses	71,630	539
Transportation Expenses	*348,842	2,622
Miscellaneous Operations and General Expenses	76,715	577

Ratio of Operating Expenses to Operating Revenues, 74.1 per cent.

*After deducting \$1,358 Transportation for Investment—Cr.

Other Income above includes \$54,027 from Hire of Freight cars—Cr. and \$72,000 Rent from Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses....	31.8%	33.0%	33.7%	34.1%	35.4%	38.4%
For Traffic and Other Operating Expenses	33.4%	36.9%	35.4%	36.5%	38.9%	37.7%
For Fixed Charges	16.6%	16.1%	12.9%	9.6%	9.8%	10.9%
For Surplus	18.2%	9.0%	18.0%	19.8%	15.9%	13.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	494,702	427,938	491,327	459,148
Passenger miles per mile of road ..	139,987	146,245	178,775	170,158
Miles, yards and sidings	52	51	50	49

See Notes, page 392.

ATCHISON, TOPEKA & SANTA FE RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	8,305	\$68,375,837	\$11,742,346	1910-11	10,350	\$107,565,116	\$21,371,068
1905-6	8,434	78,044,347	17,733,210	1911-12	10,623	107,752,360	19,660,241
1906-7	9,273	93,683,407	21,168,724	1912-13	10,750	116,896,252	22,153,734
1907-8	9,415	90,617,796	13,678,886	1913-14	10,909	111,109,770	20,183,965
1908-9	9,795	94,265,717	20,417,991	1914-15	11,115	117,665,587	24,130,862
1909-10	9,916	104,993,195	20,425,784	1915-16	11,247	133,762,392	32,579,735

STOCK OUTSTANDING

June 30, 1916.

*Common\$214,312,500

†Preferred (5%) 124,173,700

*Includes \$13,823,000 Common Stock issued during 1915-16 at par in exchange for Convertible Bonds retired (\$97,533,000 similarly issued from 1908-9 to 1914-15 inclusive). †Includes \$9,999,970 stock sold for cash in 1915-16. ‡Does not include \$2,324,600 Bonds in Treasury; includes \$26,-607,000 Bonds convertible into Common Stock at par.

BONDS OUTSTANDING

June 30, 1916.

‡Fixed Interest\$301,552,353

CAPITALIZATION

	Total	Per Mile
Stock	\$338,486,200	\$30,095
Bonds	301,552,353	26,812
Total	640,038,553	56,907

Fixed Charges below include \$1,134,242 for Rentals, and \$334,481 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 11,247.		
Operating Revenues	\$133,762,392	\$11,893
Operating Expenses	83,730,960	7,445
Net Operating Revenues	50,031,432	4,448
Other Income (incl. \$732,248 from Rentals)	3,307,130	294
Gross Corporate Income	53,338,562	4,742
Fixed Charges (including for Taxes, \$6,210,366)	20,758,827	1,846
*Surplus	32,579,735	2,896

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$19,518,635	\$1,735
Maintenance of Equipment	20,514,960	1,824
Traffic Expenses	2,755,736	245
Transportation Expenses	*38,037,589	3,382
General Expenses	2,904,040	259

Ratio of Operating Expenses to Operating Revenues 62.6 per cent.

*The Surplus before deducting \$7,000,000 for Additions and Betterments, \$55,482 for Fuel Reserve and \$14,197 Sinking Fund payments.

Other Income above includes \$820,865 Income from Investments.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses....	29.2%	30.1%	30.3%	31.4%	29.5%	29.8%
For Traffic and Other Operating Expenses	31.9%	33.0%	33.6%	33.6%	35.1%	34.6%
For Fixed Charges	15.1%	16.9%	17.3%	16.4%	17.6%	16.1%
For Surplus	23.8%	20.0%	17.8%	18.6%	17.8%	19.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	875,353	743,452	670,664	725,818
Passenger miles per mile of road...	140,879	120,709	175,117	123,245
Miles, second and additional main track	1,003	1,002	1,001	923
Miles, yards and sidings	4,072	4,002	3,862	3,717

See Notes, page 393.

CHICAGO, ROCK ISLAND & PACIFIC RY.

(Receivers appointed April 20, 1915.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906-7	7,780	\$60,238,420	\$8,750,517	1911-12	8,036	\$64,712,853	\$3,850,296
1907-8	7,970	58,454,197	4,718,102	1912-13	8,048	71,364,935	4,058,355
1908-9	8,026	61,184,887	6,166,231	1913-14	8,205	68,208,113	450,621
1909-10	8,044	66,220,579	4,747,881	1914-15	8,330	70,947,890	†734,677
1910-11	8,026	68,487,473	5,442,714	1915-16	*8,098	75,346,967	5,011,681

*Includes 723 miles of Leased Lines and Trackage Rights. †Deficit.

*STOCK OUTSTANDING

June 30, 1916.

Common	\$74,482,522
†Preferred (7%)	\$29,743,889
†Preferred (6%)	20,000,000

*These are the Stocks and Bonds (approximate total) of New Company. †See Notes as to provisions governing payment of dividends.

‡Does not include approximately \$20,921,000 bonds in Treasury.

*BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$221,363,144
Equipment	17,048,136
Other	105,841

CAPITALIZATION

	Total	Per Mile
Stocks (Old Company \$74,482,522)	\$124,103,611	\$15,325
Bonds (Old Company \$272,605,121)	238,517,121	29,441
Total (Old Company \$347,085,643)	362,620,732	44,766

Fixed Charges below include \$2,011,534 for Rentals, \$275,155 for Hire of Freight Cars—Dr. and \$519,799 Rent for Equipment other than Freight Cars and interest on Securities under new basis of Capitalization.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated 8,008.		
Operating Revenues	\$75,346,967	\$9,304
Operating Expenses	54,543,133	6,735
Net Operating Revenues	20,803,834	2,569
Other Income (incl. \$467,536 from Rentals)	1,406,342	174
Gross Corporate Income	22,210,176	2,743
Fixed Charges (including for Taxes, \$3,567,851)	*17,198,495	2,124
Surplus	*5,011,681	619

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$10,518,065	\$1,299
Maintenance of Equipment	12,648,260	1,561
Traffic Expenses	1,745,573	216
Transportation Expenses	27,141,313	3,352
General Expenses	2,489,922	307

Ratio of Operating Expenses to Operating Revenues 72.4 per cent.

*Approximate; based on New Capitalization.

Other Income above includes \$582,587 Rent from Equipment other than Freight Cars.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	30.2%	29.4%	26.9%	27.2%	25.2%	27.2%
For Traffic and Other Operating Expenses	40.9%	44.6%	46.6%	44.3%	45.0%	42.8%
For Fixed Charges	22.4%*	27.0%	25.9%	23.0%	24.0%	22.2%
For Surplus	6.5%*	Def.	0.6%	5.5%	5.8%	7.8%
	100.0%		100.0%	100.0%	100.0%	100.0%

*New basis of Fixed Charges.

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road.....	723,219	655,693	624,417	646,611
Passenger miles per mile of road....	117,679	114,778	119,440	122,228
Miles, second and additional main track	443	447	477	471
Miles, yards and sidings	2,301	2,323	2,300	2,166

See Notes, page 397.

COLORADO & SOUTHERN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	1,121	\$6,142,989	\$496,953	1909-10	2,042	\$16,777,981	\$2,951,633
1903-4	1,120	5,702,688	437,841	1910-11	*2,016	15,824,065	2,298,592
1904-5	1,118	6,223,744	610,315	1911-12	1,881	13,959,976	1,499,968
1905-6†	1,663	11,653,446	1,766,212	1912-13	†1,850	15,077,677	1,665,313
1906-7	1,858	13,456,489	2,091,857	1913-14	1,867	13,222,737	406,151
1907-8	1,932	14,280,535	2,171,903	1914-15	1,840	14,172,978	615,149
1908-9	1,980	15,080,412	2,198,859	1915-16	1,836	15,707,311	2,222,994

*Includes Colorado Springs & Cripple Creek District Ry. for 1910-11 and for part of 1911-12 (see Notes). †Includes Colorado & Southern Ry. (1,102 miles), Ft. Worth & Denver City Ry. (454 miles), Wichita Valley Lines (257 miles), and Denver & Interurban R. R. (29 miles).

STOCK OUTSTANDING

June 30, 1916.

Common	\$31,021,484
Preferred 1st (4%)	8,500,000
Preferred 2d (4%)	8,500,000

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$61,424,900
Equipment	1,150,000

*Does not include \$5,218,447 Bonds in Treasury.

CAPITALIZATION

	Total	Per Mile
Stock	\$48,021,484	\$26,155
Bonds	62,574,900	34,082
Total	110,599,384	60,237

Fixed Charges below include \$352,873 for Rentals, \$19,349 Amortization of Discount on Funded Debt and \$67,335 Loss Separately Operated Properties.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,836.		
Operating Revenues	\$15,707,311	\$8,555
Operating Expenses	9,973,609	5,435
Net Operating Revenues	5,723,702	3,120
Other Income (incl. \$521,521 from Rentals)	597,029	325
Gross Corporate Income	6,325,731	3,445
Fixed Charges (including for Taxes, \$735,781)	4,102,737	2,234
*Surplus	2,222,994	1,211

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,003,136	\$1,091
Maintenance of Equipment	2,775,182	1,512
Traffic Expenses	204,168	111
Transportation Expenses	4,443,906	2,420
Miscellaneous Operations and General Expenses	552,216	301

Ratio of Operating Expenses to Operating Revenues, 63.5 per cent.

*This Surplus before deducting \$280,220 for Additions and Betterments, \$70,298 Sinking Funds and \$500,000 Miscellaneous Appropriations of Income.

The above statements include no Income from or Advances to the Trinity & Brazos Valley Ry. (now in hands of Receiver; see Notes).

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses.....	29.3%	30.5%	28.4%	31.5%	23.3%	27.1%
For Traffic and Other Operating Expenses	31.9%	38.6%	40.7%	35.2%	36.9%	35.6%
For Fixed Charges	25.2%	26.7%	28.1%	22.8%	24.6%	23.3%
For Surplus	13.6%	4.2%	2.8%	10.5%	10.2%	14.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	646,953	534,422	469,344	620,776
Passenger miles per mile of road ..	71,808	68,223	69,007	71,825
Miles, second and additional main track	6	3	3	3
Miles, yards and sidings	505	522	521	527

See Notes, page 402.

DENVER & RIO GRANDE R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	2,378	\$17,304,560	\$2,962,561	1909-10	2,541	\$23,563,437	\$3,008,167
1903-4	2,398	16,446,435	2,574,413	1910-11	2,553	23,391,771	2,483,044
1904-5	2,420	17,031,507	2,932,452	1911-12	2,551	23,280,403	1,126,919
1905-6	2,477	19,636,115	3,712,474	1912-13	2,555	24,452,965	†2,306,643
1906-7	2,500	21,409,042	4,176,797	1913-14	2,583	23,167,051	†2,011,874
1907-8	2,499	20,386,431	3,535,836	1914-15	2,571	21,823,236	†2,108,202
1908-9	2,534	20,876,571	3,056,948	1915-16	*2,572	24,890,084	†4,516,088

*Includes 798 miles of Narrow Gauge line. †Before deducting interest on Income Bonds.

STOCK OUTSTANDING

June 30, 1916.

Common	\$38,000,000
Preferred (5%)	49,775,670
*Income Bond (7%)	10,000,000

*Cumulative †Does not include.

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest	\$112,541,000
Equipment	225,000
Other	599,346

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$97,775,670	\$38,015
Bonds	113,365,346	44,077
Total	211,141,016	82,092

Fixed Charges below include \$587,206 for Rentals, but do not include \$700,000 Interest on Adjustment Income Bonds.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 2,572.	Total	Per Mile
Operating Revenues	\$24,890,084	\$9,677
Operating Expenses	14,739,410	5,731
Net Operating Revenues	10,150,674	3,946
Other Income (including \$208,173 from Rentals)	1,027,731	400
Gross Corporate Income	11,178,405	4,346
Fixed Charges (including for Taxes, \$1,091,461)	6,662,317	2,590
*Surplus	4,516,088	1,756

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,536,790	\$986
Maintenance of Equipment	4,189,310	1,629
Traffic Expenses	487,024	189
Transportation Expenses	6,500,566	2,528
Miscellaneous Operations and General Expenses	1,025,720	399

Ratio of Operating Expenses to Operating Revenues 59.2 per cent.

*This Surplus before deducting \$700,000 Interest on Adjustment Mortgage bonds, \$2,300,000 appropriated for Road and Equipment and \$287,398 for Sinking and Renewal Funds.

Other Income above includes \$597,915 Dividend Income and \$41,988 from Hire of Equipment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	25.9%	28.3%	31.3%	31.4%	30.1%	26.7%
For Traffic and Other Operating Expenses	30.9%	33.7%	34.3%	34.9%	37.8%	36.5%
For Fixed Charges	25.7%	28.9%	26.2%	24.7%	27.6%	27.0%
For Surplus	17.5%	9.1%	8.2%	9.0%	4.5%	9.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	651,831	521,778	549,767	592,803
Passenger miles per mile of road	117,023	89,557	96,351	102,318
Miles, second and additional main track	206	209	197	178
Miles, yards and sidings	737	713	705	676

See Notes, page 404.

EL PASO & SOUTHWESTERN CO.

(El Paso & Southwestern R. R., 457 miles; El Paso & Northeastern Ry., 150 miles; Dawson Ry., 132 miles; Chicago, Rock Island & El Paso Ry., 60 miles; El Paso & Rock Island Ry., 128 miles, etc.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1912-13	947	\$8,657,716	\$2,202,420	1914-15	1,027	\$7,788,736	\$1,812,647
1913-14	1,001	9,057,553	2,009,718	1915-16	*1,027	10,671,627	2,567,749

*Includes 33 miles trackage.

STOCK OUTSTANDING

June 30, 1916.
Common

\$25,000,000

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$2,000,000
*Subsidiary Cos.	10,614,000

*Includes \$3,000,000 New Mexico Ry. & Coal Co. First & Collateral 5s; \$1,792,000 N. M. Ry. & Coal Co. First Cons. & Coll. 5s; \$3,000,000 Dawson Ry. & Coal Co. 5s; \$322,000 Alamogordo & Sacramento Mountain Ry. 5s. and \$2,500,000 El Paso & Rock Island Ry. 5s. In the Income Account below the Interest on these Bonds is covered by the deduction for Lease, etc.

CAPITALIZATION

	Total	Per Mile
Stock	\$25,000,000	\$24.343
Bonds	12,614,000	12.282
Total	37,614,000	36.625

Fixed Charges below include \$3,497,681 deduction for Lease of Other Roads, Rentals and Other Charges. This includes Interest on Bonds mentioned above.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 1,027.	Total	Per Mile
Operating Revenues	\$10,671,627	\$10.391
Operating Expenses	5,924,268	5.768
Net Operating Revenues	4,747,359	4.622
Other Income (including \$99,025 Hire of Equipment) ..	1,937,441	1.886
Gross Corporate Income	6,684,800	6.509
Fixed Charges (including for Taxes, \$471,367)	4,117,051	4.009
Surplus	2,567,749	2.500

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,314,373	\$1.280
Maintenance of Equipment	1,337,981	1.302
Traffic Expenses	221,241	.215
Transportation Expenses	2,631,856	2.563
Miscellaneous Operations and General Expenses	418,816	.408

Ratio of Operating Expenses to Operating Revenues 55.5 per cent.

Other Income above includes \$19,141 from Rentals, \$1,470,000 Dividend Income and \$345,177 Income from Funded and Unfunded Securities and Accounts.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	21.0%	22.8%
For Traffic and Other Operating Expenses	25.9%	28.6%
For Fixed Charges	32.7%	28.9%
For Surplus	20.4%	19.7%
	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	868,889	602,178	788,302	776,012
Passenger miles per mile of road ...	50,915	42,872	38,389	37,469

See Notes, page 408.

INTERNATIONAL & GREAT NORTHERN RY.

(Receivers appointed August 10, 1914.)

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1912-13	1,159	\$11,260,565	\$323,518	1914-15	1,160	\$9,083,626	†\$1,121,397
1913-14	1,159	9,941,374	†448,896	1915-16	*1,159	9,420,291	†293,070

*Includes 53 miles trackage. †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$1,422,000
Preferred (5%)	3,400,000

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$12,608,359
Equipment	1,622,358
Notes due 1914	11,000,000
Receiver's Certificates....	1,400,000

*Not including \$13,750,000 First Refunding Mortgage bonds owned and pledged.

CAPITALIZATION

	Total	Per Mile
Stock	\$4,822,000	\$4,161
Bonds	26,630,717	22,977
Total	31,452,717	27,138

Fixed Charges below include \$116,098 for Rentals and \$913,371 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,159.		
Operating Revenues	\$9,420,291	\$8,128
Operating Expenses	7,339,224	6,332
Net Operating Revenues	2,081,067	1,796
Other Income (including \$70,087 from Rentals)	531,142	458
Gross Corporate Income	2,612,209	2,254
Fixed Charges (including for Taxes, \$418,677)	2,905,279	2,506
Deficit	293,070	252

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,450,127	\$1,251
Maintenance of Equipment	1,623,969	1,401
Traffic Expenses	254,063	219
Transportation Expenses	*3,616,803	3,121
Miscellaneous Operations and General Expenses	394,262	340

Ratio of Operating Expenses to Operating Revenues 77.9 per cent.

*After deducting \$176,181 Transportation for Investment—Cr.

Other Income above includes \$459,144 from Hire of Equipment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13
For Maintenance Expenses	30.9%	32.7%	27.4%	26.7%
For Traffic and Other Operating Expenses	42.9%	49.7%	52.3%	48.5%
For Fixed Charges	29.2%	29.3%	24.4%	21.9%
For	Deficit	Deficit	Deficit	2.9%
				100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	586,599	549,508	500,929	599,750
Passenger miles per mile of road	64,664	61,098	77,687	87,140
Miles, yards and sidings	319	309	301	295

See Notes, page 409.

KANSAS CITY SOUTHERN RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1904-5	839	\$6,627,754	1910-11	827	\$9,995,180
1905-6	827	7,256,384	1911-12	827	9,272,859
1906-7	827	8,763,591	1912-13	827	10,706,309
1907-8	827	8,758,929	1913-14	827	10,993,454
1908-9	827	8,771,965	1914-15	837	10,035,896
1909-10	827	9,594,652	1915-16	837	10,583,630
					1,731,716

STOCK OUTSTANDING

June 30, 1916.	
Common	30,000,000
Preferred (4%)	21,000,000

*\$30,000,000 are 3% bonds and \$18,000,000 5% bonds.

BONDS OUTSTANDING

June 30, 1916.	
*Fixed Interest	\$48,000,000
Equipment	1,054,000

CAPITALIZATION

	Total	Per Mile
Stock	\$51,000,000	\$60,932
Bonds	49,054,000	58,607
Total	100,054,000	119,539

Fixed Charges below include \$211,061 for Rentals and \$99,820 for Hire of Equipment

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 837.		
Operating Revenues	\$10,533,630	\$12,645
Operating Expenses	6,361,722	7,601
Net Operating Revenues	4,221,908	5,044
Other Income (including \$173,465 from Rentals)	194,449	232
Gross Corporate Income	4,416,357	5,276
Fixed Charges (including for Taxes, \$561,990)	2,684,641	3,207
Surplus	1,731,716	2,069

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,132,085	\$1,353
Maintenance of Equipment	1,277,531	1,526
Traffic Expenses	334,668	400
Transportation Expenses	*3,207,254	3,832
General Expenses	410,184	490

Ratio of Operating Expenses to Operating Revenues 60.1 per cent.

*After deducting \$91,251 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	22.4%	22.7%	22.2%	21.8%	24.7%	23.1%
For Traffic and Other Operat- ing Expenses	36.7%	40.8%	39.7%	40.3%	42.5%	40.2%
For Fixed Charges	24.9%	25.3%	22.7%	22.8%	23.4%	20.3%
For Surplus	16.0%	11.2%	15.4%	15.1%	9.4%	16.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,314,955	1,349,333	1,284,810	1,230,125
Passenger miles per mile of road	79,881	77,164	88,634	81,644
Miles, second and additional main track	23	23	14	14
Miles, yards and sidings	430	429	426	420

See Notes, page 410.

MIDLAND VALLEY R. R.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1908-9	323	\$997,655	1912-13	375	\$1,511,166
1909-10	323	1,348,080	1913-14	380	1,618,581
1910-11	323	1,352,608	1914-15	380	1,392,739
1911-12	358	1,435,447	1915-16	†380	1,862,608

*Deficit. †Includes 25 miles trackage.

STOCK OUTSTANDING

June 30, 1916.

Common	\$4,006,500
Preferred (5%)	4,006,500
*Income Bonds (5%)	5,512,500

*Adjustment Mortgage 40-year 5% Bonds, due 1953 (\$3,312,500 Series "A" and \$2,000,000 Series "B"—see Notes).

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$5,000,000
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CAPITALIZATION

	Total	Per Mile
Stocks and Income Bonds	\$13,525,000	\$35.592
Bonds	5,000,000	13.158
Total	18,525,000	48.750

Fixed Charges below include \$81,294 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 380.		
Operating Revenues	\$1,862,608	\$4.902
Operating Expenses	1,316,159	3.464
Net Operating Revenues	546,449	1.438
Other Income (Including \$1,014 from Rentals)	67,774	.178
Gross Corporate Income	614,223	1.616
Fixed Charges (including for Taxes, \$77,866)	414,307	1.090
Surplus	199,916	.526

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$334,566	\$880
Maintenance of Equipment	300,461	791
Traffic Expenses	29,215	77
Transportation Expenses	*576,719	1,518
General Expenses	75,198	198

Ratio of Operating Expenses to Operating Revenues 70.7 per cent.

*After deducting \$1,085 Transportation for Investment—Cr.

Other Income above includes \$8,028 from Hire of Equipment and \$51,250 Income from Funded Securities.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	32.9%	32.9%	37.4%	39.1%	35.2%	29.4%
For Traffic and Other Operating Expenses	35.3%	37.1%	38.0%	36.5%	36.3%	34.6%
For Fixed Charges	21.5%	26.1%	22.3%	25.2%	34.5%	34.8%
For Surplus	10.3%	3.9%	2.3%	Deficit	Deficit	1.2%
	100.0%	100.0%	100.0%			100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	291,979	185,592	226,229	190,660
Passenger miles per mile of road	43,757	40,791	50,968	49,070
Miles, yards and sidings	61	61	60	65

See Notes, page 410.

MISSOURI, KANSAS & TEXAS RY.

(Receivers appointed September 27, 1915.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	3,043	\$20,041,095	\$1,267,191	1910-11	3,377	29,065,294	1,773,706
1905-6	3,043	21,159,145	1,653,087	1911-12	3,398	28,186,719	17,168
1906-7	3,072	26,183,959	3,682,311	1912-13	3,677	32,346,258	2,316,985
1907-8	3,072	23,283,670	1,335,274	1913-14	3,825	31,521,188	589,227
1908-9	3,072	25,300,915	1,374,296	1914-15	3,865	32,898,759	1,474,985
1909-10	3,072	26,559,346	1,041,463	1915-16	*3,865	32,485,508	†1,873,417

*Includes 261 miles of trackage. †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$63,233,257
Preferred (4%)	13,000,000
Other	26,700

*Includes Assumed Bonds; does not include \$2,749,000 bonds in Sinking Fund or bonds owned (mostly pledged). Most of the outstanding Bonds are in default.

†Includes \$19,000,000 6% Notes which matured May 1, 1916, and which were not paid off.

Loans and Bills Payable, June 30, 1916, \$2,012,750.

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$118,983,500
Equipment	2,505,900
†Notes	20,200,000

	Total	Per Mile
Stock	\$76,309,957	\$19,744
Bonds	141,689,400	36,659
Total	217,999,357	56,404

Fixed Charges below include \$669,750 for Rentals, also \$6,446,936 interest on Bonds, Notes, etc., \$3,312,497 of which was not paid.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 3,865.		
Operating Revenues	\$32,485,508	\$8,405
Operating Expenses	25,794,345	6,674
Net Operating Revenues	6,691,163	1,731
Other Income (including \$123,436 Hire of Equipment)	364,809	94
Gross Corporate Income	7,055,972	1,825
Fixed Charges (including for Taxes, \$1,650,167)	8,929,389	2,310
Deficit	1,873,417	485

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$6,734,992	\$1,743
Maintenance of Equipment	5,864,189	1,517
Traffic Expenses	692,262	179
Transportation Expenses	11,180,011	2,893
General Expenses	1,322,891	342

Ratio of Operating Expenses to Operating Revenues 79.4 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	38.4%	26.8%	26.5%	27.6%	25.3%
For Traffic and Other Operating Expenses	40.2%	44.8%	42.6%	46.7%	44.6%
For Fixed Charges	27.2%	26.7%	23.9%	25.6%	24.1%
For	Deficit	1.7%	7.0%	0.1%	6.0%
	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	562,256	585,703	483,838	497,766
Passenger miles per mile of road	96,845	92,788	105,635	109,065
Miles, second and additional main track	67	66	66	57
Miles, yards and sidings .....	.....	.....	1,075	1,034

See Notes, page 411.

MISSOURI PACIFIC RY. SYSTEM.

(Receivers Appointed August 17, 1915.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906-7	6,375	\$48,703,342	\$7,698,103	1911-12	7,231	\$54,503,250	†\$5,232,539
1907-8	6,479	44,238,703	2,985,716	1912-13	7,257	62,155,506	1,562,734
1908-9	6,488	46,385,543	1,064,509	1913-14	7,285	59,793,900	74,692
1909-10	6,775	53,019,137	2,759,411	1914-15	7,285	58,209,306	†1,240,546
1910-11	7,235	52,776,593	†1,979,091	1915-16	*7,341	64,372,302	†1,340,223

*Includes 374 miles of Leased Lines and Trackage Rights. †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common\$82,884,720

*BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$247,797,620
 Equipment 5,207,000
 Notes 24,773,000

*Does not include \$2,991,387 Bonds in Treasury and \$77,176,000 Bonds pledged or on special deposit. See Notes as to Plan of Readjustment. Interest on certain of the above obligations was defaulted following Receivership.

CAPITALIZATION

	Total	Per Mile
Stock	\$82,884,720	\$11,291
Bonds	277,777,620	37,339
Total	360,662,240	49,130

Fixed Charges below include \$1,395,508 for Rentals, \$795,461 for Hire of Freight Cars—Dr., \$170,906 Rent of Other Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 7,341.		
Operating Revenues	\$64,372,302	\$8,769
Operating Expenses	48,284,016	6,577
Net Operating Revenues	16,088,286	2,192
Other Income (including \$252,612 Hire of Equipment)	1,397,349	190
Gross Corporate Income	17,485,635	2,382
Fixed Charges	18,825,858	2,564
Deficit	1,340,223	182

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$10,588,677	\$1,442
Maintenance of Equipment	13,956,176	1,901
Traffic Expenses	1,595,954	217
Transportation Expenses	*20,391,599	2,778
Miscellaneous Operations and General Expenses	1,751,610	239

Ratio of Operating Expenses to Operating Revenues 75.0 per cent.

*Other Income above includes \$639,092 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	37.3%	31.9%	30.2%	29.6%	29.9%	31.7%
For Traffic and Other Operating Expenses	36.1%	39.9%	39.1%	39.6%	42.8%	47.7%
For Fixed Charges	29.0%	30.3%	30.6%	28.4%	30.8%	30.2%
For Surplus	Deficit	Deficit	0.1%	2.4%	Deficit	Deficit
	100.0%	100.0%				

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	856,384	779,548	755,693	781,095
Passenger miles per mile of road	68,376	67,625	75,344	69,190
Miles, second and additional main track	269	269	269	266
Miles, yards and sidings	2,106	2,085	2,081	2,091

See Notes, page 413.

NEW ORLEANS, TEXAS AND MEXICO RY.

(Includes Operations of Receivers to February 28, 1916.)

Avg. Miles Year	Oper.	Avg. Miles Gross	Surplus
1915-16	*1,007	\$5,044,295	\$99,670

*Includes approximately 101 miles trackage together with an operating connection of 93 miles covered by contract (New Orleans to Baton Rouge, La.).

STOCK OUTSTANDING

BONDS OUTSTANDING

	June 30, 1916.		June 30, 1916.
Common	\$15,000,000	Fixed Interest	\$5,870,000
Other	5,300	Equipment	1,645,312
Income Bonds (5%)	14,675,000		

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$29,680,300	\$29,474
Bonds	7,515,312	7,463
Total	37,195,612	36,937

Fixed Charges below include \$413,835 for Joint Facility Rent, \$133,949 Interest on Receivers' Certificates (since retired) and \$161,508 Interest on Bonds.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,007.		
Operating Revenues	\$5,044,295	\$5,009.
Operating Expenses	4,014,732	3,987
Net Operating Revenues	1,029,563	1,022
Other Income (including \$13,687 Hire of Equip't—Cr.)	61,377	61
Gross Corporate Income	1,090,940	1,083
Fixed Charges (including for Taxes, \$158,152)	991,270	984
Surplus	99,670	99

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$931,885	\$925
Maintenance of Equipment	743,699	739
Traffic Expenses	148,303	147
Transportation Expenses	*1,742,214	1,730
General Expenses	†448,631	446

Ratio of Operating Expenses to Operating Revenues 79.6 per cent.

*After deducting \$38,785 Transportation for Investment—Cr.

†Includes \$156,823 representing fees allowed Receivers, Counsel, etc., covering a period of approximately three years.

APPROPRIATION OF GROSS INCOME

	1915-16
For Maintenance Expenses	32.8%
For Traffic, Transportation and General Expenses	45.8%
For Fixed Charges	19.4%
For Surplus	2.0%
	100.0%

See Notes, page 417.

RIO GRANDE SOUTHERN R. R.

†Avg. Miles				†Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	180	\$553,554	\$73,357	1909-10	180	\$546,520	*\$63,992
1903-4	180	461,566	*18,227	1910-11	180	559,733	*22,188
1904-5	180	466,386	14,008	1911-12	180	†510,271	*†258,423
1905-6	180	562,908	32,323	1912-13	180	664,179	4,450
1906-7	180	611,640	25,509	1913-14	180	646,021	*13,862
1907-8	180	605,753	31,036	1914-15	180	555,899	*48,856
1908-9	180	576,152	*23,029	1915-16	180	562,622	*63,889

*Deficit. †Narrow Gauge. ‡Decrease in Gross and large Deficit due largely to heavy losses from floods.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.

June 30, 1916.

Common\$4,510,000 Fixed Interest\$4,510,000

CAPITALIZATION

	Total	Per Mile
Stock	\$4,510,000	\$25,055
Bonds	4,510,000	25,055
Total	9,020,000	50,110
Fixed Charges below include \$8,027 for Rentals, \$6,432 for Hire of Freight Cars—Dr., and \$6,658 Rent for other Equipment.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 180.		
Operating Revenues	\$562,622	\$3,125
Operating Expenses	389,013	2,161
Net Operating Expenses	173,609	964
Other Income (including \$1,714 from Rentals)	3,353	19
Gross Corporate Income	176,962	983
Fixed Charges (including for Taxes, \$38,330)	240,851	1,338
Deficit	63,889	355

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$138,158	\$767
Maintenance of Equipment	60,238	335
Traffic Expenses	423	2
Transportation Expenses	177,144	984
General Expenses	13,050	73

Ratio of Operating Expenses to Operating Revenues 69.1 per cent.

Other Income above includes \$536 from Locomotives.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses....	35.1%	31.6%	29.9%	29.6%	62.5%	28.4%
For Traffic and Other Operating Expenses	33.3%	35.1%	35.5%	35.2%	42.7%	34.9%
For Fixed Charges	42.6%	42.0%	36.7%	34.5%	44.5%	40.6%
For Surplus	Deficit	Deficit	Deficit	0.7%	Deficit	Deficit

100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	55,507	58,088	68,494	71,433
Passenger miles per mile of road	11,964	11,939	13,180	12,965

See Notes, page 418.

ST. JOSEPH & GRAND ISLAND RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1900-1	312	\$1,399,955	\$400,284	1908-9	319	\$1,562,113	\$147,124
1901-2	312	1,349,790	292,602	1909-10	319	1,631,739	†260,272
1902-3	312	1,388,162	178,085	1910-11	319	1,704,315	†119,167
1903-4	312	1,314,220	3,102	1911-12	319	1,545,825	†207,457
1904-5	312	1,299,033	48,098	1912-13	319	1,553,465	†226,290
1905-6	312	1,522,046	204,995	1913-14	319	1,610,060	†198,841
1906-7	312	1,734,558	418,334	1914-15	*264	1,507,314	22,436
1907-8	314	1,602,311	336,464	1915-16	258	1,840,900	199,679

*Actual mileage operated June 30, 1915, 258 miles, as compared with 319 miles operated June 30, 1914. This decrease in mileage is due to the discontinuance of use of 61 miles of trackage (St. Joseph to Kansas City, Mo., July 16, 1914). †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$4,600,000
Preferred 1st (5%)	5,499,400
Preferred 2d (4%)	3,500,000

Loans and Bills Payable, June 30, 1916, \$324,055.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$4,000,000
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CAPITALIZATION

	Total	Per Mile
Stock	\$13,599,400	\$52,711
Bonds	4,000,000	15,504
Total	17,599,400	68,215

Fixed Charges below include \$10,018 for Rentals and \$29,693 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 258.		Total	Per Mile
Operating Revenues		\$1,840,900	\$7,136
Operating Expenses		1,366,342	5,296
Net Operating Revenues		474,558	1,840
Other Income (including \$42,834 from Rentals)		45,539	176
Gross Corporate Income		520,097	2,016
Fixed Charges (including for Taxes, \$97,443)		320,418	1,241
Surplus		199,679	774

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$371,024	\$1,438
Maintenance of Equipment	271,168	1,051
Traffic Expenses	53,617	208
Transportation Expenses	602,525	2,335
General Expenses	68,008	263

Ratio of Operating Expenses to Operating Revenues 74.2 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	34.0%	32.1%	35.5%	36.7%	35.0%	34.8%
For Traffic and Other Operating Expenses	38.4%	43.5%	50.8%	51.8%	52.2%	50.8%
For Fixed Charges	17.0%	22.9%	25.7%	25.7%	25.9%	21.2%
For Surplus	10.6%	1.5%	Deficit	Deficit	Deficit	Deficit
	100.0%	100.0%				

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	515,958	349,782	330,095	313,293
Passenger miles per mile of road	54,062	52,950	51,814	55,714
Miles, yards and sidings	57	62	61	62

See Notes, page 418.

ST. LOUIS & SAN FRANCISCO R. R.

(Receivers Appointed May 27, 1913.)

Year	Avg. Miles		Year	Avg. Miles	
	Oper.	Gross		Oper.	Gross
1905-6	5,069	\$32,046,656	1911-12	5,241	\$42,100,364
1906-7	5,062	38,621,067	1912-13	5,255	46,050,290
1907-8	5,064	35,806,132	1913-14	5,259	44,923,569
1908-9	5,251	38,195,738	1914-15	5,252	42,974,573
1909-10	5,072	41,165,939	1915-16	*5,255	48,403,390
1910-11	5,188	43,159,228			

Includes 202 miles trackage.

STOCK OUTSTANDING

June 30, 1916.

("Frisco"—Reorganized Company)

Common	\$48,480,000
Preferred (6%)	7,000,000
Adj. Inc. Bonds (6%)	*40,547,818
Income Bonds (6%)	†35,192,000

*Cumulative. †Non-cumulative. ‡Includes bonds of K. C. Ft. S. M. Ry.

BONDS OUTSTANDING

June 30, 1916.

("Frisco"—Reorganized Company)

†Fixed Interest	\$127,882,500
Equipment	5,306,000

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$131,219,818	\$24,970
Bonds	133,188,500	25,345
Total	264,408,318	50,315

Fixed Charges below include \$9,153,190 Interest, Guaranties, Rentals and Sinking Fund; \$2,195,327 Taxes and Uncollectible Revenue and \$403,170 Hire of Equipment. Fixed Charges do not include possible discount on Funded Debt.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

(Fixed Charges, new basis).

	Total	Per Mile
Average miles operated, 5,255.		
Operating Revenues	\$48,403,390	\$9,211
Operating Expenses	32,775,759	6,237
Net Operating Revenues	15,627,631	2,974
Other Income	1,152,194	219
Gross Corporate Income	16,779,825	3,193
Fixed Charges (including for Taxes, \$217,538)	*11,756,687	2,237
Surplus (Old Basis of Capitalization \$1,481,090)	*5,023,138	956

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$7,379,430	\$1,404
Maintenance of Equipment	8,122,918	1,546
Traffic Expenses	847,193	161
Transportation Expenses	†15,131,268	2,879
General Expenses	1,294,950	247

Ratio of Operating Expenses to Operating Revenues 67.7 per cent.

*Fixed Charges and Surplus are approximately correct. They are stated before deducting \$2,432,869 one year interest on 6% Adjustment (Cumulative) Income Bonds and \$2,111,520 Interest on 6% Non-cumulative Income Bonds.

†After deducting \$372,334 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	31.3%	30.1%	33.4%	24.9%	24.2%	24.5%
For Traffic, Transportation and General Expenses	34.9%	37.6%	39.4%	39.6%	41.1%	39.5%
For Fixed Charges	23.7%	35.2%	33.4%	36.9%	34.3%	32.6%
For Surplus	10.1%		Deficit	Deficit	0.4%	3.4%

*New basis.

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	656,975	590,422	575,746	595,001
Passenger miles per mile of road	102,894	94,364	101,749	93,185
Miles, second etc. main track	43	43	43	43
Miles, yards and sidings	1,565	1,547	1,526	1,510

See Notes, page 420.

ST. LOUIS SOUTHWESTERN RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	1,418	\$8,860,231	\$1,052,542	1910-11	1,487	\$11,838,037	\$1,215,823
1905-6	1,451	8,989,564	575,355	1911-12	1,548	12,042,543	*1,617,619
1906-7	1,452	10,553,135	1,591,842	1912-13	1,609	13,296,950	*1,886,191
1907-8	1,464	9,585,046	328,544	1913-14	1,735	12,744,555	*335,771
1908-9	1,470	10,331,889	602,469	1914-15	1,754	10,627,861	*1280,903
1909-10	1,473	10,986,516	811,466	1915-16	†1,754	12,224,449	*1,267,455

*This Surplus (or Deficit) after deducting \$121,700 interest on Income Bonds.

†Includes 201 miles leased, and 241 miles operated under trackage rights.

‡Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$16,356,100
Preferred (5%)	19,893,650

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$53,459,250
Equipment	2,380,000

*Includes \$3,042,500 Second Mortgage 4% Income Bonds in hands of Public. Does not include \$3,000,000 unpledged bonds in Treasury.

Loans and Bills Payable, June 30, 1916, \$785,000.

CAPITALIZATION

	Total	Per Mile
Stock	\$36,249,750	\$20,667
Bonds	55,839,250	31,835
Total	92,089,000	52,502

Fixed Charges below include \$725,049 for Rentals and \$84,582 for Rent of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,754.		
Operating Revenues	\$12,224,449	\$6,969
Operating Expenses	8,406,786	4,793
Net Operating Revenues	3,817,663	2,176
Other Income (including \$248,101 from Rentals)	1,279,633	729
Gross Corporate Income	5,096,696	2,905
Fixed Charges (including for Taxes, \$599,076)	3,829,841	2,183
Surplus	1,267,455	722

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,393,107	\$794
Maintenance of Equipment	2,268,904	1,293
Traffic Expenses	520,675	297
Transportation Expenses	*3,652,973	2,083
General Expenses	571,127	326

Ratio of Operating Expenses to Operating Revenues 68.8 per cent.

*After deducting \$108,948 Transportation for Investment—Cr.

Other Income above includes \$717,698 Hire of Freight Cars—Cr., and \$100,066 Rent from Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	27.7%	30.9%	33.2%	28.7%	28.2%
For Traffic, Transportation and General Expenses	35.2%	39.7%	37.9%	35.5%	36.9%
For Fixed Charges	28.3%	31.8%	26.5%	22.6%	22.4%
For Surplus	9.3%	Deficit	2.4%	13.2%	12.5%
	100.0%		100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	508,099	426,203	478,430	541,842	
Passenger miles per mile of road	49,182	50,411	65,463	62,245	
Miles, second and additional main track	*125	*125	118	*110	
Miles, yards and sidings	580	572	547	520	

*Includes 110 miles operated under Trackage Rights.

See Notes, page 424.

SAN ANTONIO & ARANSAS PASS RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Deficit	Year	Oper.	Gross	Deficit
1913-14	724	\$4,648,197	\$391,244	1914-15	724	\$3,797,055	\$861,871
				1915-16	724	\$3,862,745	\$600,471

STOCK OUTSTANDING

June 30, 1916.

Common\$1,000,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$17,544,000
 Equipment 403,398
 Notes 8,101,202

CAPITALIZATION

	Total	Per Mile
Stock	\$1,000,000	\$1,381
Bonds	26,048,600	35,979
Total	27,048,600	37,360

Fixed Charges below include \$10,055 for Rentals, \$12,257 Rent for Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 724.	Total	Per Mile
Operating Revenues	\$3,862,745	\$5,335
Operating Expenses	3,404,594	4,702
Net Operating Revenues	458,151	633
Other Income (including \$35,319 from Rentals)	69,923	97
Gross Corporate Income	528,074	730
Fixed Charges (including for Taxes, \$183,932)	1,128,545	1,559
Deficit	600,471	829

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$775,192	\$1,071
Maintenance of Equipment	635,071	878
Traffic Expenses	81,418	111
Transportation Expenses	*1,765,891	2,439
General Expenses	147,022	203

Ratio of Operating Expenses to Operating Revenues 88.1 per cent.

*After deducting \$2,144 Transportation for Investment—Cr.

Other Income above includes \$22,978 Hire of Freight Cars—Cr., and \$6,204 Rent from Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	35.9%	40.8%
For Traffic and Other Operating Expenses	50.7%	54.0%
For Fixed Charges	28.7%	27.8%
For Surplus	Deficit	Deficit

	1915-16	1914-15	1913-14
Ton miles per mile of road	245,154	214,704	261,143
Passenger miles per mile of road	52,993	56,625	76,233
Miles, yards and sidings	172	172	168

See Notes, page 426.

TEXAS & PACIFIC RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1903	1,727	\$12,094,744	\$1,780,107	1910	1,885	\$16,375,805	\$1,667,978
1904	1,826	12,433,147	2,430,973	1911	1,885	16,139,029	1,406,613
1905	1,826	12,130,391	2,010,796	1911-12	1,885	16,973,223	964,278
1906	1,848	14,914,608	3,082,817	1912-13	1,885	13,078,783	591,841
1907	1,885	16,671,668	2,830,550	1913-14	1,885	18,652,635	1,485,847
1908	1,885	13,917,315	1,170,603	1914-15	*1,901	17,944,638	9,968,827
1909	1,885	14,960,653	1,708,951	1915-16	1,944	19,156,856	2,298,450

*Includes 92 miles of trackage.

Note: Prior to 1911-12 the fiscal year was the calendar year.

STOCK OUTSTANDING

June 30, 1916.

Common	\$38,763,810
Income Bonds (5%)	25,000,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$31,683,000
Equipment	1,008,000

CAPITALIZATION

Total Per Mile

Stock and Income Bonds	\$63,763,810	\$32,800
Bonds	32,691,000	16,816
Total	96,454,810	49,616

Fixed Charges below include \$283,160 for Rentals, \$377,682 Hire of Freight Cars—Dr., and \$68,884 Rent for Other Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 1,944.		Total	Per Mile
Operating Revenues		\$19,156,856	\$9,854
Operating Expenses		13,815,975	7,107
Net Operating Revenues		5,340,881	2,747
Other Income (including \$209,862 from Rentals)		407,348	210
Gross Corporate Income		5,748,229	2,957
Fixed Charges (including for Taxes, \$920,438)		3,449,779	1,774
*Surplus		2,298,450	1,183

OPERATING EXPENSES

Total Per Mile

Maintenance of Way	\$2,019,739	\$1,039
Maintenance of Equipment	3,042,806	1,565
Traffic Expenses	464,617	239
Transportation Expenses	†7,512,778	3,865
Miscellaneous Operations and General Expenses	776,035	399

Ratio of Operating Expenses to Operating Revenues 72.1 per cent.

*This Surplus before deducting \$650,880 for Additions and Betterments and \$474,833 Maturing Equipment Obligations Paid.

†After deducting \$23,258 Transportation for Investment—Cr.

Other Income above includes \$79,707 Rent from Equipment and \$12,748 from Miscellaneous Non-Operating Physical Property.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1911
For Maintenance Expenses	25.9%	26.7%	27.6%	29.4%	27.7%	27.7%
For Traffic and Other Operating Expenses	44.7%	49.3%	48.0%	51.6%	50.0%	47.0%
For Fixed Charges	17.7%	18.5%	16.5%	15.8%	16.7%	16.7%
For Surplus	11.7%	5.5%	7.9%	3.2%	5.6%	8.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	752,404	708,833	696,123	681,083
Passenger miles per mile of road	91,391	85,899	100,998	98,915
Miles, second and additional main track	45	45	51	51
Miles, yards and sidings	622	609	600	581

See Notes, page 426.

WESTERN PACIFIC R. R. CORPORATION.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1911-12	934	\$5,528,532	1914-15	942	\$5,708,126
1912-13	937	6,173,628	1915-16	941	7,466,004
1913-14	942	6,251,137			

The Surplus for 1915-16, as reported to the California Railroad Commission was \$2,001,316. In the statement below \$1,000,000 Interest on \$20,000,000 5% bonds issuable under Plan of Reorganization is included and the Surplus shown below amounts to \$1,001,316.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.

June 30, 1916.

Common	\$47,500,000	Fixed Interest	\$20,000,000
Preferred (6%)	27,500,000		

CAPITALIZATION

	Total	Per Mile
Stock	\$75,000,000	\$79,702
Bonds	20,000,000	21,254
Total	95,000,000	100,956

Fixed Charges below include \$1,000,000 interest on \$20,000,000 First Mortgage 5% bonds issuable under Plan of Reorganization (see Notes).

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated. 941.	Total	Per Mile
Operating Revenues	\$7,466,004	\$7,934
Operating Expenses	4,787,891	5,088
Net Operating Revenues	2,678,112	2,846
Other Income	92,253	98
Gross Corporate Income	2,770,365	2,944
Fixed Charges (including for Taxes, \$349,173)	1,769,049	1,880
Surplus	1,001,316	1,064

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,100,728	\$1,170
Maintenance of Equipment	737,358	784
Traffic Expenses	259,238	275
Transportation Expenses	2,308,935	2,454
General Expenses	381,632	405

Ratio of Operating Expenses to Operating Revenues 62.9 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16
For Maintenance Expenses	24.3%
For Traffic and other Operating Expenses	39.0%
For Fixed Charges	23.4%
For Surplus	13.3%

• 100%

See Notes, page 427.

GREAT NORTHERN RY.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1904-5	5,723	\$43,526,088	1910-11	7,244	\$61,257,633
1905-6	5,906	51,276,280	1911-12	7,369	66,197,819
1906-7	5,982	55,144,402	1912-13	7,686	78,692,767
1907-8	6,594	54,429,633	1913-14	7,781	75,473,869
1908-9	6,808	53,687,444	1914-15	8,061	67,162,858
1909-10	7,020	64,465,370	1915-16	8,053	81,262,478
					Surplus
					\$17,516,927
					21,654,256
					24,568,314
					20,453,551
					20,618,270
					27,600,614

STOCK OUTSTANDING

June 30, 1916.

*Preferred\$249,477,710

†Includes \$18,478,472 Stock sold at par to Stockholders in 1914. †Includes all Bonds assumed but does not include \$37,482,152 Bonds in Treasury. \$14,106,000 Bonds held by Mortgage Trustees and \$107,613,500 Bonds—the Great Northern Ry.'s proportion (one-half) of the Great Northern-Northern Pacific Joint Bonds (C. B. & Q. Stock Collateral).

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest\$143,275,758

CAPITALIZATION

	Total	Per Mile
Stock	\$249,477,710	\$30,979
Bonds	143,275,758	17,792
Total	392,753,468	48,771
Fixed Charges below include \$888,892 for Rentals, and \$99,884 Hire of Equipment—Dr.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 8,053.		Total	Per Mile
Operating Revenues		\$81,262,478	\$10,091
Operating Expenses		43,914,076	5,453
Net Operating Revenues		37,348,402	4,638
Other Income (including \$1,109,751 Rents Received) ..		2,845,623	353
Gross Corporate Income		40,194,030	4,991
Fixed Charges		12,593,416	1,564
*Surplus		27,600,614	3,427

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$9,727,328	\$1,208
Maintenance of Equipment	8,739,909	1,085
Traffic Expenses	1,168,733	145
Transportation Expenses	†22,046,956	2,738
Miscellaneous Operations and General Expenses	2,231,150	277

Ratio of Operating Expenses to Operating Revenues 54.0 per cent.

*This Surplus before deducting \$3,500,000 Fund for Permanent Improvements and Betterments, \$256,332 for Renewal of Allouez Bay Ore Dock, \$1,000,000 for Pension Fund, and \$3,100,865 Miscellaneous Appropriations. †After deducting \$263,099 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..22.0%	22.2%	28.5%	26.4%	24.4%	27.0%	
For Traffic and Other Operating Expenses	30.3%	30.8%	30.3%	29.5%	29.4%	31.5%
For Fixed Charges	15.0%	17.3%	15.3%	14.1%	15.3%	14.2%
For Surplus	32.7%	29.7%	25.9%	30.0%	30.9%	27.3%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	969,825	649,852	662,628	993,226
Passenger miles per mile of road	74,664	71,331	83,744	78,796
Miles, second and additional main track	241	241	238	224
Miles, yards and sidings	2,182	2,149	2,106	2,014

See Notes, page 428.

MINNEAPOLIS & ST. LOUIS R. R.

Includes Des Moines & Ft. Dodge R. R. (138 miles), leased, and Iowa Central Ry. (559 miles) merged January 1, 1912. Combined Income Accounts are given for a period of years for the sake of comparison.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1906-7	1,356	\$7,005,716	\$760,029	1911-12	1,586	\$7,954,116	*\$667,041
1907-8	1,563	6,823,991	324,179	1912-13	1,586	9,707,004	370,227
1908-9	1,585	7,186,963	*324,480	1913-14	1,646	9,620,834	*316,292
1909-10	1,585	8,306,673	51,273	1914-15	1,646	10,111,975	39,082
1910-11	1,586	8,605,554	59,857	1915-16	1,646	10,721,512	639,471

*Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$16,385,501
Preferred (5%)	6,264,771

*Does not include \$7,534,194 Refunding and Extension Bonds in the Treasury. †Matured August 1, 1916.

Bills Payable, June 30, 1916, \$810,500.

See Notes as to formation of New Company and readjustment of capitalization.

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest	\$42,821,901
†Notes due 1916	2,500,000

CAPITALIZATION

	Total	Per Mile
Stock	\$22,650,272	\$13,761
Bonds	46,510,651	28,257
Total	69,160,923	42,018

Fixed Charges below include \$164,726 for Rentals, \$354,481 for Hire of Equipment—Dr. \$12,774 Surplus from Operations of the D. M. & Ft. D. R. R., Payable under Lease and \$100,237 Amortization of Discount on Funded Debt.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 1,646.		Total	Per Mile
Operating Revenues		\$10,721,512	\$6,514
Operating Expenses		7,022,098	4,266
Net Operating Revenues		3,699,414	2,248
Other Income (including \$208,562 from Rentals)		262,728	160
Gross Corporate Income		3,962,142	2,408
Fixed Charges (including for Taxes, \$469,903)		3,322,671	2,019
*Surplus		639,471	389

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,116,266	\$678
Maintenance of Equipment	1,525,268	927
Traffic Expenses	212,151	129
Transportation Expenses	3,896,217	2,367
General Expenses	272,196	165

Ratio of Operating Expenses to Operating Revenues 65.4 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	24.1%	24.6%	27.9%	24.9%	26.7%
For Traffic and Other Operating Expenses	39.8%	42.0%	42.9%	43.1%	49.9%
For Fixed Charges	30.3%	33.0%	32.4%	28.3%	31.7%
For Surplus	5.8%	0.4%	Deficit	3.7%	Deficit
	100.0%	100.0%		100.0%	

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	621,747	581,574	516,390	571,209
Passenger miles per mile of road	58,446	58,896	58,101	55,318
Miles, second and additional main track	24	24	24	24
Miles, yards and sidings	363	352	352	344

See Notes, page 432.

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	1,774	\$8,716,622	\$2,063,415	1910-11	2,639	\$12,819,188	\$1,831,427
1905-6	2,020	11,574,462	3,267,686	1911-12	2,741	16,770,700	4,224,250
1906-7	2,232	12,892,079	2,608,686	1912-13	2,915	20,963,554	5,527,415
1907-8	2,304	11,509,857	2,000,869	1913-14	2,982	18,274,379	2,853,502
1908-9	2,360	12,339,755	2,533,645	1914-15	*3,044	17,817,855	2,974,004
1909-10	2,461	15,060,237	4,400,442	1915-16	3,143	22,804,825	6,169,576

*Does not include Chicago Division (Wisconsin Central Ry.) 1,124 miles operated.

STOCK OUTSTANDING

June 30, 1916.

Common	\$25,206,800
*Preferred (7%)	12,603,400

†Shares with Common Stock in Dividends beyond 7%. †Does not include \$11,176,800 4% Leased Line Stock Certificates issued for and subject to cancellation on or before 2008 by return of Wisconsin Central Ry. Preferred Stock, an equivalent amount of which stock is held. Likewise does not include \$6,000,000 Central Terminal Ry. 4% Bonds (see Notes).

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest	\$71,435,000
Equipment	5,093,000

CAPITALIZATION

	Total	Per Mile
Stock	\$37,810,200	\$12,011
Bonds	76,528,000	24,310
Total	114,338,200	36,321

Fixed Charges below include \$301,632 for Rental of Terminals and \$446,894 Interest on Wisconsin Central Ry. Leased Lines' Certificates.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 3,148.		Total	Per Mile
Operating Revenues		\$22,804,825	\$7,244
Operating Expenses		12,160,318	3,863
Net Operating Revenues		10,644,507	3,381
Other Income (including \$73,345 Rents Received)		947,416	301
Gross Corporate Income		11,591,923	3,682
Fixed Charges (including for Taxes, \$1,537,712)		5,422,347	1,722
Surplus		6,169,576	1,960

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$2,117,844	\$672
Maintenance of Equipment	2,867,740	911
Traffic Expenses	370,749	118
Transportation Expenses	*6,234,700	1,981
Miscellaneous Operations and General Expenses	569,285	181

Ratio of Operating Expenses to Operating Revenues 53.3 per cent.

*After deducting \$28,332 Transportation for Investment—Cr.

Other Income above includes \$457,038 Dividends on Stocks owned (mostly from Wisconsin Central Ry. Stock) and \$191,985 from Hire of Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	21.0%	25.5%	23.0%	22.3%	20.8%	23.5%
For Traffic and Other Operating Expenses	30.2%	33.1%	33.1%	31.4%	31.3%	35.5%
For Fixed Charges	22.8%	25.6%	24.3%	21.2%	24.3%	27.8%
For Surplus	26.0%	15.8%	14.6%	25.1%	23.6%	13.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	693,163	501,327	543,249	711,014	
Passenger miles per mile of road	68,590	61,736	70,649	67,978	

See Notes, page 434.

WISCONSIN CENTRAL RY.

(Minneapolis, St. Paul & Sault Ste. Marie Ry.—Chicago Division.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	978	\$6,651,862	\$724,072	1909-10	1,078	\$8,861,831	\$837,144
1903-4	977	6,466,176	424,247	1910-11	1,086	8,749,453	†231,279
1904-5	977	6,650,884	555,844	1911-12	1,091	9,493,297	504,650
1905-6	977	7,118,576	802,188	1912-13	1,092	10,795,233	1,093,350
1906-7	1,018	7,577,179	1,063,456	1913-14	1,123	10,501,255	517,696
1907-8	1,023	7,307,311	351,009	1914-15	1,120	9,945,370	136,732
1908-9	976	7,494,355	448,043	1915-16	1,124	12,205,239	2,056,858

*Includes 103 miles of trackage (of which 53 miles Soo Line tracks).

†Deficit.

*STOCK OUTSTANDING

June 30, 1916.

Common	\$16,119,600
Preferred	11,265,300

†BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$37,197,000
Equipment	1,715,165
Notes 5% due 1918	1,000,000

*Does not include \$1,380,400 Common Stock and \$1,234,700 Preferred Stock in Treasury. †Does not include \$4,048,000 Bonds in Treasury of which \$1,500,000 are pledged.

CAPITALIZATION

	Total	Per Mile
Stock	\$27,384,900	\$24,364
Bonds	39,912,165	35,509
Total	67,297,065	59,873

Fixed Charges below include \$689,340 for Rental of Terminals and \$164,215 for Hire of Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,124.		
Operating Revenues	\$12,205,239	\$10,858
Operating Expenses	6,920,750	6,157
Net Operating Revenues	5,284,489	4,701
Other Income (including \$32,776 from Rentals)	51,846	46
Gross Corporate Income	5,336,335	4,747
Fixed Charges (including for Taxes, \$766,464)	3,279,477	2,917
Surplus	2,056,858	1,830

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$1,113,103	\$990
Maintenance of Equipment	1,325,935	1,179
Traffic Expenses	262,078	233
Transportation Expenses	*3,899,559	3,469
Miscellaneous Operations and General Expenses	320,075	285

Ratio of Operating Expenses to Operating Revenues 56.7 per cent.

*After deducting \$5,783 Transportation for Investment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..19.9%	24.6%	24.5%	23.7%	24.8%	25.8%	
For Traffic and Other Operating Expenses	36.6%	42.8%	42.1%	41.7%	43.8%	48.4%
For Fixed Charges	26.8%	31.2%	28.5%	24.5%	26.1%	28.4%
For Surplus	16.7%	1.4%	4.9%	10.1%	5.3%	Deficit
	100.0%	100.0%	100.0%	100.0%	100.0%	

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,207,541	927,005	1,023,856	1,153,929
Passenger miles per mile of road	98,215	94,311	105,835	99,992

See Notes, page 435.

MONTANA, WYOMING & SOUTHERN R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1913-14	32	\$179,386	\$21,880	1915-16	32	\$230,868	\$25,888
1914-15	32	171,700	18,050				

STOCK OUTSTANDING

June 30, 1916.

Common\$1,000,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$881,100
Equipment 23,980

CAPITALIZATION

	Total	Per Mile
Stock	\$1,000,000	\$31,250
Bonds	905,080	28,284
Total	1,905,080	59,534

Fixed Charges below include \$2,645 for Hire of Equipment—Dr.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 32.	Total	Per Mile
Operating Revenues	\$230,868	\$7,214
Operating Expenses	112,867	3,527
Net Operating Revenues	117,999	3,687
Other Income	153	5
Gross Corporate Income	118,152	3,692
Fixed Charges (including for Taxes, \$5,949)	92,264	2,883
Surplus	25,888	809

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$27,156	\$849
Maintenance of Equipment	24,932	779
Traffic Expenses	330	10
Transportation Expenses	41,105	1,285
General Expenses	19,344	604

Ratio of Operating Expenses to Operating Revenues 48.8 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	22.6%	26.9%
For Traffic and Other Operating Expenses	26.3%	29.9%
For Fixed Charges	39.9%	32.7%
For Surplus	11.2%	10.5%
	<u>100.0%</u>	<u>100.0%</u>

See Notes, page 436.

NORTHERN PACIFIC RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	5,315	\$50,722,886	\$17,126,242	1910-11	5,950	\$64,912,832	\$20,442,266
1905-6	5,401	61,223,475	22,487,740	1911-12	6,025	63,423,947	19,663,815
1906-7	5,443	68,534,832	23,473,929	1912-13	6,260	72,676,139	21,563,518
1907-8	5,633	68,235,484	22,999,951	1913-14	6,325	68,544,802	19,655,247
1908-9	5,671	68,460,747	24,907,766	1914-15	6,461	63,171,653	18,822,820
1909-10	5,765	74,525,826	22,296,259	1915-16	6,501	75,939,231	25,729,874

STOCK OUTSTANDING

June 30, 1916.

Common\$248,000,000

BONDS OUTSTANDING

June 30, 1916.

*Fixed Interest\$205,922,000

*Includes assumed Bonds of other Companies, but does not include \$7,878,500 Bonds held in Treasury and \$107,613,500 (Company's proportion—one-half) Northern Pacific—Great Northern Joint 4% Bonds (C. B. & Q. Stock Collateral), \$1,271,000 of latter Bonds are owned by the Northern Pacific Ry.

CAPITALIZATION

Total Per Mile

Stock	\$248,000,000	\$38.148
Bonds	205,922,000	31.675
Total	453,922,000	69.823

Fixed Charges below include \$597,226 for Rentals, and \$123,541 for Hire of Equipment. Fixed Charges do not include \$4,304,540 Interest on C. B. & Q. Stock Collateral Bonds, and Other Income does not include a like sum representing Dividends received from C. B. & Q. Stock.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 6,501.	Total	Per Mile
Operating Revenues	\$75,939,231	\$11.681
Operating Expenses	40,366,412	6.209
Net Operating Revenues	35,572,819	5.472
Other Income (including \$2,626,636 from Rentals)	4,174,718	.642
Gross Corporate Income	39,747,537	6.114
Fixed Charges (including for Taxes, \$5,073,415)	14,017,662	2.156
Surplus	25,729,874	3.958

OPERATING EXPENSES

Total Per Mile

Maintenance of Way	\$8,833,210	\$1.359
Maintenance of Equipment	7,846,259	1.207
Traffic Expenses	1,177,971	.181
Transportation Expenses	20,388,217	3.136
General Expenses	2,120,755	.326

Ratio of Operating Expenses to Operating Revenues 53.2 per cent.

Other Income above includes \$301,153 Hire of Freight Cars—Cr., and \$306,157 Rent from Other Equipment.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	20.8%	22.9%	23.4%	24.1%	21.9%	22.6%
For Traffic and Other Operating Expenses	29.6%	30.7%	32.3%	33.4%	33.6%	33.6%
For Fixed Charges	17.5%	19.3%	17.9%	14.7%	15.9%	14.9%
For Surplus	32.1%	27.1%	26.4%	27.8%	28.6%	28.9%

100.0% 100.0% 100.0% 100.0% 100.0% 100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,079,465	799,345	890,016	995,554
Passenger miles per mile of road	94,859	92,907	107,869	105,674
Miles, second and additional main track	698	699	636	634
Miles, yards and sidings	2,876	2,861	2,813	2,702

See Notes, page 437.

SPOKANE & INLAND EMPIRE R. R.

(Includes Railway and Traction Lines.)

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1908-9	201	\$1,269,101	\$145,498	1912-13	213	\$1,616,782	\$178,529
1909-10	207	1,763,614	319,965	1913-14	212	1,531,651	130,579
1910-11	208	1,669,638	1844	1914-15	*212	†1,243,325	1287,794
1911-12	208	1,632,509	148,001	1915-16	212	1,193,835	1301,364

*Includes Spokane Traction Co. (36 miles). †Includes \$498,978 Earnings Street Railway System (1913-14, \$541,618; 1912-13, \$550,046; 1911-12, \$545,529; 1910-11, \$549,111). On like basis of accounting Gross for 1913-14 was \$1,404,469. †Deficit.

STOCK OUTSTANDING

June 30, 1916.

Common	\$10,000,000
*Preferred Rights	6,397,700

*Cumulative; shares pro rata with Common Stock in all Dividends up to 7% (see Notes). †Non-Negotiable Debt to Affiliated Companies represented by Notes, \$54,467,860; Open Accounts, \$315,255; Interest Accrued, \$467,953.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$4,604,000
†Other Debt	5,251,068

CAPITALIZATION

	Total	Per Mile
Stock	\$16,397,700	\$77,348
Bonds	9,855,068	46,486
Total	26,252,768	123,834

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

(Includes all Railway and Traction Lines Operated.)

	Total	Per Mile
Average miles operated, 212.		
Operating Revenues	\$1,193,835	\$5,631
Operating Expenses	1,036,036	4,887
Net Operating Revenues	157,799	744
Other Income (including \$132,615 [net] Auxiliary Operations)	137,093	646
Gross Corporate Income	294,892	1,390
Fixed Charges (including for Taxes, \$121,403)	596,256	2,812
Deficit	301,364	1,422

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$220,866	\$1,041
Maintenance of Equipment	201,077	948
Traffic Expenses	16,624	78
Transportation Expenses (including Power)	463,199	2,185
Miscellaneous Operations and General Expenses	134,270	635
Ratio of Operating Expenses to Operating Revenues	86.8 per cent.	

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	31.7%	31.1%	25.5%	25.1%	23.9%	28.4%
For Traffic and Other Operating Expenses	46.1%	45.2%	43.7%	42.8%	42.9%	43.2%
For Fixed Charges	44.8%	44.2%	39.4%	37.0%	36.1%	28.4%
For Surplus	Deficit	Deficit	Deficit	Deficit	Deficit	0.0%
	100.0%					

	1915-16	1914-15	1913-14	1912-13
Miles, second and additional main track	30	30	30	30
Miles, yards and sidings	50	49	48	48

See Notes, page 439.

TACOMA EASTERN R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	57	\$186,502	*\$2,158	1910-11	91	\$582,916	\$13,661
1905-6	61	273,941	49,316	1911-12	92	567,833	*8,550
1906-7	70	409,529	46,289	1912-13	92	669,998	40,901
1907-8	88	316,787	*28,335	1913-14	92	581,266	*11,378
1908-9	88	365,520	5,856	1914-15	93	405,162	*110,248
1909-10	88	545,860	67,321	1915-16	93	513,855	*24,737

*Deficit.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$750,000
Preferred (6%)	750,000

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$884,000
*Other Debt	3,037,937

*Received from Chicago, Milwaukee & St. Paul Ry. for Construction, Equipment and Betterments.

CAPITALIZATION

	Total	Per Mile
Stock	\$1,500,000	\$16,129
Bonds	3,921,937	42,171
Total	5,421,937	58,300

Fixed Charges below include \$825 for Rentals, \$7,035 Non-Operating Property Expenses and \$137,226 Interest paid C. M. & St. P. Ry.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 93.		Total	Per Mile
Operating Revenues		\$513,855	\$5,525
Operating Expenses		372,692	4,007
Net Operating Revenues		141,163	1,518
Other Income (including \$45,662 Hire of Equipment) ..		67,648	727
Gross Corporate Income		208,811	2,245
Fixed Charges (including for Taxes, \$44,005)		233,548	2,511
Deficit		24,737	266

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$83,782	\$900
Maintenance of Equipment	83,379	897
Traffic Expenses	2,713	29
Transportation Expenses	187,273	2,014
General Expenses	15,545	167

Ratio of Operating Expenses to Operating Revenues 72.6 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	23.7%	30.1%	31.1%	30.5%	32.0%	28.0%
For Traffic and Other Operating Expenses	35.2%	37.6%	39.4%	36.9%	38.2%	41.8%
For Fixed Charges	40.2%	55.4%	31.3%	26.7%	31.2%	27.9%
For Surplus	Deficit	Deficit	Deficit	5.9%	Deficit	2.3%
				100.0%		100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	402,791	223,064	297,455	320,064
Passenger miles per mile of road	18,691	20,449	33,870	38,414
Miles, yards and sidings	34	35	34	33

See Notes, page 441.

UNION PACIFIC R. R.

Avg. Miles			Avg. Miles		
Year	Oper.	*Gross	Year	Oper.	*Gross
1902-3	5,762	\$50,216,248	1909-10	6,296	\$88,506,465
1903-4	5,353	54,264,878	1910-11	6,678	87,201,971
1904-5	5,358	58,756,845	1911-12	7,150	84,180,097
1905-6	5,404	66,879,142	1912-13	7,349	91,810,307
1906-7	5,645	75,651,105	1913-14	7,597	90,308,752
1907-8	5,781	74,422,777	1914-15	7,784	†86,958,295
1908-9	6,062	77,360,429	1915-16	7,918	104,717,005

Surplus

Surplus

*Does not include Earnings from Water Lines. †Figures stated to conform with classification of I. C. C., effective July 1, 1914; on like basis gross for 1913-14 was \$91,845,305.

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.

June 30, 1916.

Common	\$222,293,100	*Fixed Interest	\$334,629,850
Preferred (4%)	99,543,500		

*Includes assumed bonds; include also \$26,835,225 4% bonds due 1927 convertible into stock at \$175 per share. Does not include \$108,391,500 bonds owned by company (all unpledged).

CAPITALIZATION

	Total	Per Mile
Stock	\$321,836,600	\$40,646
Bonds	324,629,850	42,262
Total	656,466,450	82,908

Fixed Charges below include \$1,348,895 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Union Pacific R.R., Oregon Short Line R. R., Oregon-Washington R. R. & Navigation Co.

Average miles operated, 7,918.

	Total	Per Mile
Operating Revenues	\$104,717,005	\$13,225
Operating Expenses	58,582,770	7,399
Net Operating Revenues	46,134,235	5,826
Other Income (including \$1,208,491 from Rentals)	13,303,843	1,680
Gross Corporate Income	59,438,078	7,507
Fixed Charges (including for Taxes, \$5,310,698)	20,648,944	2,608
*Surplus	38,789,134	4,899

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$13,869,369	\$1,752
Maintenance of Equipment	12,388,810	1,565
Traffic Expenses	2,261,922	285
Transportation Expenses (including \$135,051 Water Line)	†25,613,676	3,235
Miscellaneous Operations and General Expenses	4,448,994	569

Ratio of Operating Expenses to Operating Revenues 55.9 per cent.

*This Surplus before deducting \$3,524,489 for Additions and Betterments, and \$11,627 paid account of Sinking Fund. †After deducting \$181,624 Transportation for Investment—Cr.

Other Income above includes \$4,331,904 Dividends on Stocks owned, \$7,368,849 Interest on bonds, loans, etc., and \$220,154 Hire of Equipment—Cr.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	22.2%	22.9%	21.2%	19.3%	18.8%	18.6%
For Traffic and Other Operating Expenses	27.4%	29.1%	28.2%	27.7%	28.3%	26.7%
For Fixed Charges	17.5%	19.7%	20.0%	19.9%	19.9%	16.8%
For Surplus	32.9%	23.3%	30.6%	33.1%	33.0%	37.9%
Ton miles per mile of road	1,041,211	771,035	812,005	854,950		
Passenger miles per mile of road	115,937	107,224	118,804	122,880		
Miles, second and additional main track	1,128	1,097	1,046	990		
Miles, yards and sidings	2,475	2,433	2,424	2,345		

See Notes, page 441.

SOUTHERN PACIFIC CO.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	9,138	\$89,403,632	\$13,124,415	1910-11	9,895	\$121,911,028	\$27,106,788
1905-6	9,192	99,123,550	19,913,371	1911-12	9,970	120,433,056	22,578,138
1906-7	9,401	117,331,812	28,911,816	1912-13	10,311	130,353,693	26,867,807
1907-8	9,506	113,545,567	20,761,880	1913-14	10,422	126,614,537	20,452,216
1908-9	9,626	110,846,404	27,747,213	1914-15	10,554	129,865,675	†20,570,319
1909-10	9,752	124,523,905	*31,912,633	1915-16	10,956	152,694,228	†30,885,254

*Does not include \$4,590,000 extra Dividends received from Wells-Fargo & Co. Stock owned. †Before appropriations (\$934,836) to Sinking Funds, etc., deducted; figures for years previous to 1914-15 after such deduction.

STOCK OUTSTANDING

June 30, 1916.

Common\$272,677,906

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$548,569,510
Equipment 9,745,000

*Includes \$81,151,910 4% Bonds convertible into Stock at 130 to June 1, 1919, and \$54,527,000 5% Bonds convertible into stock at par to June 1, 1924. Does not include \$90,114,112 bonds held by Southern Pacific Co. and Proprietary Cos. and \$10,447,000 Bonds held alive in Sinking Funds; likewise \$17,544,000 Guaranteed First Mortgage 4% Bonds of the San Antonio & Aransas Pass R. R. and \$8,298,000 First Refunding 4% Bonds of the Los Angeles Pacific Co. are not included.

CAPITALIZATION

	Total	Per Mile
Stock	\$272,677,906	\$24,889
Bonds	558,314,510	50,959
Total	\$830,992,416	75,848

Fixed Charges below include \$1,767,366 for Rentals, \$405,600 for Hire of Freight Cars—Dr., and \$536,106 Rent for Miscellaneous Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 10,956.		
Operating Revenues	\$152,694,228	\$13,937
Operating Expenses	97,443,658	8,894
Net Operating Revenues	55,250,570	5,043
Other Income (including \$472,491 Hire of Equipment) ..	12,203,035	1,114
Gross Corporate Income	67,453,605	6,157
Fixed Charges (including for Taxes, \$7,023,326)	36,568,351	3,338
*Surplus	30,885,254	2,819

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$18,367,137	\$1,676
Maintenance of Equipment	21,866,636	1,996
Traffic Expenses	3,131,404	286
Transportation Expenses	47,726,733	4,356
General Expenses	6,351,743	580

Ratio of Operating Expenses to Operating Revenues 64.5 per cent.

*This Surplus before deducting \$934,838 applied to Sinking Fund and Other Reserve Funds.

Other Income above includes \$858,929 from Rentals, \$4,418,154 Dividend Income, \$5,400,284 Income from Funded and Unfunded Securities and Accounts and \$653,788 Income from Sinking and Other Reserve Funds.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	24.4%	23.8%	24.7%	24.3%	23.8%	24.2%
For Traffic and Other Operating Expenses	34.7%	35.6%	33.7%	32.9%	34.6%	33.6%
For Fixed Charges	22.2%	26.7%	27.2%	23.4%	24.2%	21.2%
For Surplus	18.7%	13.9%	14.4%	19.4%	17.4%	21.0%

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
Ton miles per mile of road	841,695	628,894	670,497	681,729		
Passenger miles per mile of road ...	174,752	157,529	167,816	172,055		
Miles, second and additional main track	552	552	507	425		
Miles, yards and sidings	3,982	3,838	3,789	3,675		

See Notes, page 447.

NEVADA-CALIFORNIA-OREGON RY.

*Avg. Miles				*Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1903-4	144	\$194,835	\$43,313	1910-11	184	\$338,967	\$41,274
1904-5	144	219,768	74,189	1911-12	217	386,590	55,457
1905-6	144	229,128	75,048	1912-13	238	403,979	36,004
1906-7	144	267,306	120,140	1913-14	238	367,260	†15,856
1907-8	158	338,668	132,448	1914-15	254	377,749	†68,622
1908-9	176	406,668	188,341	1915-16	272	369,221	†11,887
1909-10	184	447,857	188,575				

*Narrow Gauge. †Deficit. ‡Before applying Sinking Fund Payments. In previous years Sinking Fund payments were included in Fixed Charges.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$1,450,000
Preferred (5%)	750,000

BONDS OUTSTANDING

June 30, 1916.	
Fixed Interest	\$1,277,000

CAPITALIZATION

	Total	Per Mile
Stock	\$2,200,000	\$8,088
Bonds	1,277,000	4,695
Total	3,477,000	12,783

Fixed Charges below include \$211 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 272.		
Operating Revenues	\$369,221	\$1,357
Operating Expenses	295,330	1,086
Net Operating Revenues	73,892	271
Other Income (including \$983 from Rental)	2,036	8
Gross Corporate Income	75,928	279
Fixed Charges (including for Taxes, \$23,951)	87,887	323
Deficit	11,959	44

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$93,473	\$344
Maintenance of Equipment	45,920	169
Traffic Expenses	9,831	36
Transportation Expenses	116,922	443
General Expenses	29,181	94

Ratio of Operating Expenses to Operating Revenues, 82.4 per cent.

*This Surplus before deducting \$13,640 applied to Sinking Fund.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	37.6%	53.4%	42.3%	33.0%	36.7%	40.8%
For Traffic and Other Operating Expenses	41.8%	43.2%	37.8%	36.6%	30.1%	29.0%
For Fixed Charges	23.6%	21.4%	24.2%	21.6%	19.1%	18.4%
For Surplus	Deficit	Deficit	Deficit	8.8%	14.1%	11.8%
				100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	19,265	21,536	23,775	22,350
Passenger miles per mile of road	6,994	7,601	8,500	11,088
Miles, yards and sidings	18			

See Notes, page 452.

NORTHWESTERN PACIFIC R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1914-15	401	\$3,568,701	\$219,609	1915-16	507	\$4,319,598	\$126,695

STOCK OUTSTANDING

June 30, 1916.

*Common\$35,000,000

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest\$27,775,000

*Stock owned by the Southern Pacific Co. one-half and by the Atchison, Topeka & Santa Fe Ry. one-half.

†Mostly held by the Southern Pacific Co.

CAPITALIZATION

Total Per Mile

Stock	\$35,000,000	\$69,034
Bonds	27,775,000	54,783
Total	62,775,000	123,817

Fixed Charges below include \$56,654 for Rentals, \$43,666 for Hire of Freight Cars—Dr. and \$2,730 Rent for Other Equipment.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 507.	Total	Per Mile
Operating Revenues	\$4,319,598	\$8,520
Operating Expenses	2,752,955	5,430
Net Operating Revenues	1,566,643	3,090
Other Income (including \$36,765 Hire of Equipment) ..	136,728	270
Gross Corporate Income	1,703,371	3,360
Fixed Charges (including for Taxes, \$204,818)	1,576,676	3,110
*Surplus	126,695	250

OPERATING EXPENSES

Total Per Mile

Maintenance of Way	\$660,182	\$1,302
Maintenance of Equipment	501,546	989
Traffic Expenses	68,947	136
Transportation Expenses	1,421,623	2,804
General Expenses	100,657	199

Ratio of Operating Expenses to Operating Revenues, 63.7 per cent.

*This Surplus before deducting \$41,608 Income applied to Sinking and Other Reserve Funds.

Other Income above includes \$98,996 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915-16
For Maintenance Expenses	26.1%
For Traffic and other Operating Expenses	35.7%
For Fixed Charges	35.4%
For Surplus	2.8%
	100.0%

See Notes, page 453.

TONOPAH & GOLDFIELD R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	*Surplus	Year	Oper.	Gross	Surplus
1906-7	106	\$2,386,574	\$843,058	1911-12	110	\$760,442	\$146,484
1907-8	106	1,517,577	198,758	1912-13	110	696,398	178,147
1908-9	109	910,019	26,529	1913-14	110	688,850	109,306
1909-10	109	789,205	27,734	1914-15	110	682,714	153,307
1910-11	109	788,977	65,189	1915-16	110	681,781	190,184

*After deducting Sinking Fund payments. See below.

STOCK OUTSTANDING

June 30, 1916.	
Common	\$1,650,000
Preferred (7%)	500,000

*Does not include \$350,000 bonds in Treasury.

BONDS OUTSTANDING

June 30, 1916.	
*Fixed Interest	\$300,000

CAPITALIZATION

	Total	Per Mile
Stock	\$2,150,000	\$19,545
Bonds	300,000	2,727
Total	2,450,000	22,272
Fixed Charges below include \$4,750 for Rentals, \$2,646 for Hire of Freight Cars—Dr., \$6,984 Rent for Passenger Train Cars and \$68,925 Sinking Fund Payments.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 110.		
Operating Revenues	\$681,781	\$6,198
Operating Expenses	355,093	3,228
Net Operating Revenues	326,688	2,970
Other Income (including \$355 from Rentals)	19,818	180
Gross Corporate Income	346,506	3,150
Fixed Charges (including for Taxes, \$42,563)	156,322	1,421
*Surplus	190,184	1,729

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$61,562	\$560
Maintenance of Equipment	80,617	733
Traffic Expenses	21,959	199
Transportation Expenses	156,372	1,422
General Expenses	34,583	314

Ratio of Operating Expenses to Operating Revenues, 52.1 per cent.

Other Income above includes \$6,187 Rent from Passenger Train Cars.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses.....	20.3%	20.3%	27.7%	22.0%	26.9%	27.3%
For Traffic and Other Operating Expenses	30.3%	31.1%	30.4%	39.9%	33.0%	43.5%
For Fixed Charges	22.3%	26.2%	26.5%	23.1%	21.1%	21.0%
For Surplus	27.1%	22.4%	15.4%	25.0%	19.0%	8.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

See Notes, page 453.

THE EARNING POWER

COPPER RANGE R. R.

Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1911	137	\$717,713	\$59,463	1914	138	\$601,643	\$25,274
1912	137	754,925	103,775	1915	138	811,347	157,552
1913	138	575,065	*17,046				

*Deficit.

STOCK OUTSTANDING

BONDS OUTSTANDING

December 31, 1915.		December 31, 1915.	
Common	\$4,244,300	Fixed Interest	\$2,280,000

CAPITALIZATION

	Total	Per Mile
Stock	\$4,244,300	\$30,756
Bonds	2,280,000	16,522
Total	6,524,300	47,278

Fixed Charges below include \$8,249 for Rentals, etc.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 138.		
Operating Revenues	\$811,347	\$5,879
Operating Expenses	484,451	3,511
Net Operating Revenues	326,896	2,368
Other Income	2,872	21
Gross Corporate Income	329,768	2,389
Fixed Charges (including for Taxes, \$49,987)	172,236	1,248
Surplus	157,532	1,141

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$97,181	\$704
Maintenance of Equipment	111,383	807
Traffic Expenses	20,962	151
Transportation Expenses	234,817	1,702
General Expenses	20,108	146

Ratio of Operating Expenses to Operating Revenues 59.7 per cent.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913
For Maintenance Expenses	25.6%	28.0%	31.4%
For Traffic and Other Operating Expenses	33.9%	40.0%	42.8%
For Fixed Charges	21.2%	27.9%	23.8%
For Surplus	19.3%	4.1%	Deficit
	100.0%	100.0%	

	1915	1914
Miles, yards and sidings		17

See Notes, page 453.

DULUTH, SOUTH SHORE & ATLANTIC RY.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1902-3	574	\$2,772,135	1909-10	606	\$3,302,147
1903-4	579	2,524,612	1910-11	609	3,148,818
1904-5	586	2,706,936	1911-12	621	3,152,475
1905-6	593	3,057,809	1912-13	626	3,412,832
1906-7	591	3,311,878	1913-14	627	3,412,575
1907-8	595	2,921,916	1914-15	627	2,938,597
1908-9	593	2,719,338	1915-16	604	3,506,792

STOCK OUTSTANDING

June 30, 1916.

Common	\$12,000,000
Preferred (6%)	10,000,000
*Income Bonds (4%)	3,000,000

*Matured December 31, 1912, and not paid; held by Canadian Pacific Ry. †Non-Negotiable Debt to Affiliated Companies—Canadian Pacific Ry.

The Balance Sheet as of June 30, 1916, showed Matured Interest Unpaid (due Canadian Pacific Ry.) \$9,242,158. The Debit to Profit and Loss on June 30, 1916, was \$6,265,769.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$20,000,000
Equipment	264,400
†Other	950,000

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$25,000,000	\$41,391
Bonds	21,214,400	35,123
Total	46,264,400	76,514

Fixed Charges below include \$38,527 for Rentals, \$27,361 for Hire of Equipment and \$30,049 Loss from Mackinaw Transportation Co.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 604.	Total	Per Mile
Operating Revenues	\$3,506,792	\$5,806
Operating Expenses	2,482,148	4,110
Net Operating Revenues	1,024,644	1,696
Other Income (including \$17,286 Rent of Equipment) ..	58,678	97
Gross Corporate Income	1,083,322	1,793
Fixed Charges (including for Taxes, \$251,780)	1,223,642	2,026
*Deficit	140,320	233

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$582,103	\$964
Maintenance of Equipment	430,019	712
Traffic Expenses	89,012	147
Transportation Expenses	1,223,400	2,026
Miscellaneous Operations and General Expenses	157,614	261

Ratio of Operating Expenses to Operating Revenues 70.7 per cent.

*Deficits for 1914-15 and 1913-14 were \$557,083 and \$550,989 respectively.

Other Income above includes \$19,624 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	23.4%	33.5%	35.6%	32.7%	29.3%	27.2%
For Traffic and Other Operating Expenses	41.2%	47.1%	44.7%	46.2%	45.7%	43.5%
For Fixed Charges	34.3%	38.1%	35.8%	36.6%	36.3%	36.2%
For Surplus	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	466,379	331,416	414,982	415,720
Passenger miles per mile of road	58,012	54,119	71,888	63,104

See Notes, page 454.

CANADIAN NORTHERN RY.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1904-5	1,586		\$4,190,212	\$416,703	1910-11	3,383		\$16,360,712	\$927,917
1905-6	2,064		5,903,755	719,574	1911-12	3,888		20,860,094	1,095,452
1906-7	2,509		8,350,198	1,041,488	1912-13	4,297		24,277,478	1,530,046
1907-8	2,866		9,709,463	642,343	1913-14	4,563		23,781,329	1,434,510
1908-9	3,013		10,581,768	636,571	1914-15	7,269		25,912,106	*1,640,283
1909-10	3,179		13,833,062	1,002,342	1915-16	8,048		35,476,275	*248,127

STOCK OUTSTANDING

June 30, 1916.

Common	\$100,000,000
*Affiliated Co.'s	5,872,100
†Inc. Deb. Stk. (5%)	25,000,000

*\$69,557,400 additional in Treasury.
 †Secured.

BONDS OUTSTANDING

June 30, 1916.

Can. Nor. Ry.	\$162,192,441
Affiliated Co.'s	123,223,824
Equipment	16,862,500
‡Temporary Loans	55,912,962
‡Other	16,666,957
†Income Charge Convertible De-	

CAPITALIZATION

	Total	Per Mile
Stock and Income Bonds	\$130,872,100	\$16,261
Bonds	374,858,684	46,578
Total	505,730,784	62,839
Fixed Charges below include \$6,533,062 Fixed Charges Canadian Northern Ry., \$3,088,595 Fixed Charges Affiliated Companies and \$858,588 Taxes, Rentals, Joint Facilities, etc.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 8,048.		
	Total	Per Mile
Operating Revenues	\$35,476,275	\$4,408
Operating Expenses	25,244,186	3,137
Net Operating Revenues	10,232,089	1,271
Gross Corporate Income	10,232,089	1,271
Fixed Charges	10,480,216	1,302
Deficit	248,127	31

— OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$5,899,540	\$733
Maintenance of Equipment	4,095,746	509
Traffic Expenses	553,076	69
Transportation Expenses	13,384,548	1,663
Miscellaneous Operations and General Expenses	1,311,276	163
Ratio of Operating Expenses to Operating Revenues 71.2 per cent.		

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	28.4%	26.4%
For Traffic, Transportation and General Expenses	43.0%	48.0%
For Fixed Charges	29.3%	30.2%
For Deficit	Deficit	Deficit

	1915-16	1914-15	1913-14
Ton miles per mile of road	478,618	295,827	424,374
Passenger miles per mile of road	31,629	31,721	39,111

See Notes, page 454.

CANADIAN PACIFIC RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1902-3	7,619	\$43,957,373	\$10,071,461	1909-10	10,078	\$94,989,490	\$27,258,729
1903-4	8,133	46,469,132	8,318,277	1910-11	10,342	104,167,808	34,409,314
1904-5	8,568	50,481,882	9,105,686	1911-12	10,767	123,319,541	39,036,340
1905-6	8,777	61,669,758	16,592,215	1912-13	11,367	139,395,700	43,213,236
1906-7	9,153	72,217,528	19,156,033	1913-14	11,826	129,814,824	38,670,645
1907-8	9,426	71,384,174	15,676,922	1914-15	12,368	98,865,210	32,603,297
1908-9	9,878	76,313,321	15,835,028	1915-16	12,917	129,481,886	46,937,391

STOCK OUTSTANDING

June 30, 1916.

*Common	\$260,000,000
Preferred (4%)	80,681,921

BONDS OUTSTANDING

June 30, 1916.

Mortgage Bonds	\$3,650,000
Debenture Stock	176,284,882
Equipment	11,680,000
*Note Certificates (6%)	52,000,000

*Includes \$60,000,000 common stock sold to stockholders at 175. in 1913, \$2,000,000 stock sold in market during 1912-13 for \$4,860,822 and \$18,000,000 stock sold to stockholders at 150 in 1912.

†Interest not included in Fixed Charges below.

CAPITALIZATION

	Total	Per Mile
Stock	\$340,681,921	\$26,375
Bonds	243,614,882	18,860
Total	584,296,803	45,235

Fixed Charges below include \$2,505,109 for Rentals and Interest on Bonds other than those included above; but Fixed Charges below do not include Interest on the Note Certificates.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 12,917.	Total	Per Mile
Operating Revenues	\$129,481,886	\$10,024
Operating Expenses	80,255,965	6,213
Net Operating Revenues	49,225,921	3,811
Other Income (including \$557,843 Coal Mine Revenue)	8,017,666	621
Gross Corporate Income	57,243,587	4,432
Fixed Charges	10,306,196	798
*Surplus	46,937,391	3,634

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$14,671,791	\$1,135
Maintenance of Equipment	16,695,956	1,293
Traffic Expenses	2,798,699	217
Transportation Expenses (including for Steamers, Telegraph, Parlor and Sleeping Cars, etc.)	42,074,765	3,257
General Expenses	4,014,754	311

Ratio of Operating Expenses to Operating Revenues 61.9 per cent.

*This Surplus before deducting \$125,000 Contribution to Pension Fund. Other Income above includes \$3,583,292 Earnings from Ocean Steamships and Hotels and Net Earnings from Pacific Coast Steamships, Commercial Telegraph and News Department (\$5,564,432 in 1914-15).

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	22.8%	21.0%	24.2%	24.2%	24.2%	24.7%
For Traffic and Other Operating Expenses	35.6%	39.3%	39.9%	39.0%	37.6%	35.6%
For Fixed Charges	7.5%	9.6%	7.5%	7.4%	8.1%	8.9%
For Surplus	34.1%	30.1%	28.4%	29.4%	30.1%	38.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	1,070,068	625,338	896,470	989,081
Passenger miles per mile of road	96,546	93,413	132,823	155,451

See Notes, page 457.

GRAND TRUNK RY. OF CANADA.

Note: The statements of this Company are rendered expressed in Pounds Sterling. The figures have been converted into dollars at the rate of exchange of \$4.87 per Pound Sterling.

*Avg. Miles				*Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1904-5	3,535	\$28,532,463	\$3,492,452	1910-11	3,536	\$35,361,461	\$3,647,443
1905-6	3,535	30,732,934	3,597,174	1911-12	3,545	38,814,402	4,173,563
1906-7	3,535	33,924,939	4,084,879	1912-13	3,545	43,724,789	4,745,595
1907-8	3,536	32,543,475	3,446,453	†1913	4,012	46,850,257	4,758,584
1908-9	3,536	30,434,138	3,513,143	1914	4,015	41,866,260	2,070,315
1909-10	3,536	33,868,606	3,690,014	1915	4,015	40,385,391	2,487,032

*Does not include Grand Trunk Western Ry. (347 miles), Detroit, Grand Haven & Milwaukee Ry. (191 miles), Toledo, Saginaw & Muskegon Ry. (96 miles), etc. Entire or majority stock of these roads is owned. †Fiscal year changed to calendar year.

STOCK OUTSTANDING

December 31, 1915.

Common	\$116,662,980
Preference 1st (5%)	16,655,400
Preference 2d (5%)	12,321,100
Preference 3d (4%)	34,908,425
Guaranteed (4%)	60,875,000

*Includes Canada Atlantic Ry. 4% Bonds.

CAPITALIZATION

	Total	Per Mile
Stock	\$241,422,906	\$60,130
Bonds	188,852,342	47,037
Total	430,275,248	107,167

Fixed Charges below include \$775,853 for Rentals, \$9,154 for Advances to Detroit, Grand Haven & Milw. Ry., \$595,000 Advances to Grand Trunk Western Ry., and \$100,162 Advances to Toledo, Saginaw & Muskegon Ry.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 4,015.		
Operating Revenues	\$40,385,391	\$10,059
Operating Expenses	30,711,010	7,649
Net Operating Revenues	9,674,381	2,410
Other Income	3,697,647	921
Gross Corporate Income	13,372,028	3,331
Fixed Charges (including for Taxes, \$998,813)	10,884,996	2,711
Surplus	2,487,032	620

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$4,883,291	\$1,216
Maintenance of Equipment	6,851,744	1,707
Traffic Expenses	1,157,216	288
Transportation Expenses	16,255,979	4,049
General Expenses	1,562,780	389

Ratio of Operating Expenses to Operating Revenues 76.0 per cent.

APPROPRIATION OF GROSS INCOME

	1915	1914	1912-13	1911-12	1910-11	1909-10
For Maintenance Expenses	26.6%	26.4%	25.4%	28.1%	29.5%	31.6%
For Traffic and Other Operating Expenses	43.0%	45.5%	43.0%	41.6%	40.1%	38.1%
For Fixed Charges	24.7%	23.5%	21.2%	19.9%	20.5%	19.9%
For Surplus	5.7%	4.6%	10.4%	10.4%	9.9%	10.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1912-13	1911-12
Ton miles per mile of road	933,578	967,963	1,149,849	1,003,742
Miles, second and additional main track	728	728	711	710
Miles, yards and sidings	1,564	1,564	1,426	1,344

See Notes, page 460.

See Notes regarding lease of this property to the Canadian Pacific Ry.

1909-10				1910-11			
Year	Avg. Miles Oper.	Gross	Surplus	Year	Avg. Miles Oper.	Gross	Surplus
1909-10	222	\$1,105,867	\$186,113	1913-14	258	\$1,553,174	\$228,457
1910-11	252	1,208,949	228,967	1914-15	258	1,345,729	168,537
1911-12	253	1,354,811	255,489	1915-16	258	1,487,258	251,353
1912-13	253	1,529,741	223,830				
Estimated.							

BONDS OUTSTANDING

June 30, 1916.		June 30, 1916.	
Common	\$3,381,603	1st Mtge. Deb. Stock (4%)	\$2,943,540
		2d Mtge. Deb. Stock (3½%)	1,644,933
		3d Mtge. Bonds (5%)	1,644,934

CAPITALIZATION		
	Total	Per Mile
Stock	\$3,381,603	\$13,197
Bonds	6,233,407	24,150
Total	9,615,010	37,267
Fixed Charges below include \$12,046 Expenses Outside Operations.		

Average miles operated, 258.	Total	Per Mile
Operating Revenues	\$1,487,258	\$5,765
Operating Expenses	964,446	3,738
Net Operating Revenues	522,812	2,027
Other Income	16,640	64
Gross Corporate Income	539,452	2,091
Fixed Charges (including for Taxes, \$18,493)	288,099	1,117
Surplus	251,353	973

	Total	Per Mile
Maintenance of Way	\$208,267	\$807
Maintenance of Equipment	150,603	584
Traffic Expenses	27,004	105
Transportation Expenses	523,805	2,030
General Expenses	54,767	212
Ratio of Operating Expenses to Operating Revenues	61.8	per cent.

*This Surplus before deducting \$90,000 for Additions and Betterments and \$25,000 Transferred to Reserve Contingent Fund.

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	23.7%	23.4%	23.0%	21.8%	24.1%	23.4%
For Traffic and Other Operating Expenses	40.3%	43.1%	44.1%	45.8%	44.0%	42.7%
For Fixed Charges	19.2%	21.1%	18.3%	17.8%	13.2%	15.1%
For Surplus	16.8%	12.4%	14.6%	14.6%	13.7%	18.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1913-16	1914-15	1913-14	1912-13
Miles, yards and sidings		60		52

See Notes, page 463.

TORONTO, HAMILTON & BUFFALO RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1909	84	\$883,356	\$159,727	1913	92	\$1,745,918	\$239,265
1910	92	1,145,769	260,356	1914	92	1,313,565	221,292
1911	92	1,256,012	300,108	1915	107	1,404,320	322,822
1912	92	1,702,713	550,706				

STOCK OUTSTANDING

December 31, 1915.

Common\$3,512,500

BONDS OUTSTANDING

December 31, 1915.

Fixed Interest\$4,280,000

Equipment 1,125,000

Loans and Bills Payable, December 31, 1915, \$1,150,000.

CAPITALIZATION

	Total	Per Mile
Stock	\$3,512,500	\$32,827
Bonds	5,405,000	50,514
Total	8,917,500	85,341

Fixed Charge below include \$8,774 for Rentals.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 107.		
Operating Revenues	\$1,404,320	\$13,124
Operating Expenses	899,637	8,408
Net Operating Revenues	504,683	4,716
Other Income (including \$63,717 Hire of Equip't—Cr.)	132,094	1,235
Gross Corporate Income	636,787	5,951
Fixed Charges (including for Taxes, \$12,497)	313,965	2,934
Surplus	322,822	3,017

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$167,269	\$1,563
Maintenance of Equipment	164,674	1,539
Traffic Expenses	20,705	194
Transportation Expenses	480,187	4,488
General Expenses	66,802	624

Ratio of Operating Expenses to Operating Revenues 64.1 per cent.

Other Income above includes \$63,210 from Rentals.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912	1911	1910
For Maintenance Expenses ..	21.6%	25.2%	29.8%	17.3%	20.6%	17.3%
For Traffic and Other Operat- ing Expenses	37.0%	39.8%	33.7%	32.3%	35.2%	35.8%
For Fixed Charges	20.4%	19.9%	23.5%	19.1%	21.2%	25.0%
For Surplus	21.0%	15.1%	13.0%	31.3%	23.0%	21.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Ton miles per mile of road	656,292	795,902	1,090,112	1,128,931
Passenger miles per mile of road ..	171,236	210,884	243,788	211,622
Miles, second and additional main track	12	10	10	4
Miles, yards and sidings	96	65	65	50

See Notes, page 463.

CUBA R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	*Gross	Surplus	Year	Oper.	*Gross	Surplus
1904-5	408	\$1,029,259	\$37,448	1910-11	602	\$2,994,410	\$797,316
1905-6	421	1,619,082	287,861	1911-12	602	3,726,339	1,059,862
1906-7	426	1,935,092	332,424	1912-13	602	4,478,194	1,414,280
1907-8	440	1,988,676	355,425	1913-14	602	4,954,641	1,651,505
1908-9	444	2,115,984	550,799	1914-15	602	5,022,793	1,873,684
1909-10	455	2,500,172	672,089	1915-16	†619	6,611,965	2,545,415

*Does not include Gross Earnings of Antilla Terminals.

†39 additional miles under construction.

STOCK OUTSTANDING

June 30, 1916.

*Common	\$15,000,000
Preferred (6%)	10,000,000

*Includes \$5,000,000 stock dividend issued to common stockholders during 1916.

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$16,030,000
Notes	3,000,000

CAPITALIZATION

	Total	Per Mile
Stock	\$25,000,000	\$40,388
Bonds	19,030,000	30,743
Total	44,030,000	71,131

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 619.		
Operating Revenues	\$6,611,965	\$10,681
Operating Expenses	3,066,153	4,953
Net Operating Revenues	3,545,812	5,728
Other Income	6,633	11
Gross Corporate Income	3,552,445	5,739
Fixed Charges	1,007,030	1,627
Surplus	2,545,415	4,112

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$656,971	\$1,061
Maintenance of Equipment	606,193	979
Conducting Transportation	1,569,883	2,536
General Expenses	233,106	376

Ratio of Operating Expenses to Operating Revenues 46.4 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses ..	19.2%	17.9%	21.8%	21.5%	20.4%	21.3%
For Traffic and Other Operating Expenses	27.2%	28.2%	29.0%	29.4%	30.5%	32.7%
For Fixed Charges	15.2%	16.9%	16.3%	17.8%	20.7%	19.4%
For Surplus	38.4%	37.0%	32.9%	31.3%	28.4%	26.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	1915-16	1914-15	1913-14	1912-13
Miles, yards and sidings	93	88	81	71

See Notes, page 464.

CUBAN CENTRAL RYS.

Note: The statements of this company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1910-11	255	\$2,300,430	1913-14	341	\$2,929,185
1911-12	269	2,499,910	1914-15	353	3,234,370
1912-13	291	3,083,015	1915-16	353	3,958,725
		£460,086			£585,837
		499,982			646,874
		617,603			791,745

STOCK OUTSTANDING

June 30, 1916.

Ordinary	\$4,500,000
*Preference (5½%)	6,100,000

*Cumulative. †4½% Mortgage Debenture, £745,300; 5% Debenture Stock, £1,178,000; Mortgage Bonds of old Companies, £80,185.

BONDS OUTSTANDING

June 30, 1916.

†Fixed Interest	\$10,019,125
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CAPITALIZATION

	Total	Per Mile
Stock (Ordinary £900,000; Pfce. £1,220,000)	\$10,600,000	\$30,028
Bonds (£2,003,825)	10,019,825	28,385
Total	20,619,825	58,413

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 353.		
Operating Revenues (£791,745)	\$3,958,725	\$11,214
Operating Expenses (£425,304)	2,126,520	6,024
Net Operating Revenues (£366,441)	1,832,205	5,190
Other Income (£4,494)	22,470	64
Gross Corporate Income (£370,935)	1,854,675	5,254
Fixed Charges (£169,350)	846,750	2,399
*Surplus (£201,585)	1,007,925	2,855

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£106,293)	\$531,465	\$1,505
Maintenance of Equipment (£74,564)	372,820	1,056
Traffic and Transportation Expenses (£179,228)	896,140	2,539
Misc. and Gen. Expenses (£65,219)	326,095	924
Ratio of Operating Expenses to Operating Revenues, 53.7 per cent.		

*This Surplus before deducting \$300,000 (£60,000) carried to Reserve Accounts).

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	22.7%	23.3%
For Traffic and other Operating Expenses	30.7%	27.4%
For Fixed Charges	21.3%	21.9%
For Surplus	25.5%	27.4%
	100.0%	100.0%

See Notes, page 465.

GUANTANAMO & WESTERN R. R.

Year	Avg. Miles		Gross	Surplus	Year	Avg. Miles		Gross	Surplus
	Oper.					Oper.			
1911-12	75		\$382,342	*\$14,645	1914-15	75		\$465,097	\$22,620
1912-13	75		440,774	*10,105	1915-16	75		597,732	34,912
1913-14	75		465,222	64,361					

STOCK OUTSTANDING

June 30, 1916.

Common	\$2,750,000
Preferred 1st (7%)	2,750,000
Preferred 2d (5%)	250,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$600,000
Equipment	245,000
Notes 6%	429,500

CAPITALIZATION

	Total	Per Mile
Stock	\$5,750,000	\$76,667
Bonds	1,274,500	16,993
Total	7,024,500	93,660

Fixed Charges below include \$7,441 for Hire of Equipment and \$33,560 Amortization of Discount and Expenses of Note Issue.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 75.	Total	Per Mile
Operating Revenues	\$597,732	\$7,969
Operating Expenses	477,273	6,363
Net Operating Revenues	120,459	1,606
Other Income (incl. \$9,638 from Rentals)	46,277	617
Gross Corporate Income	166,736	2,223
Fixed Charges (including for Taxes, \$2,051)	131,824	1,758
Surplus	34,912	465

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$112,805	\$1,504
Maintenance of Equipment (incl. \$19,090 Depreciation)	127,154	1,695
Conducting Transportation	179,211	2,389
General Expenses	58,104	775

Ratio of Operating Expenses to Operating Revenues, 79.8 per cent.

Other Income above includes \$21,975 Profit from Boqueron Terminal.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15	1913-14	1912-13	1911-12
For Maintenance Expenses	37.3%	33.6%	28.8%	43.5%	43.5%
For Traffic and other Operating Expenses	36.8%	38.5%	35.5%	42.2%	42.1%
For Fixed Charges	20.5%	23.3%	22.6%	16.6%	18.2%
For Surplus	5.4%	4.6%	13.1%	Deficit	Deficit
	100.0%	100.0%	100.0%		

See Notes, page 466.

UNITED RYS. OF THE HAVANA & REGLA WARE- HOUSES, LTD.

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Avg. Miles			Avg. Miles		
Year	Oper.	Gross	Year	Oper.	Gross
1911-12	612	\$7,073,960	1914-15	681	\$8,461,810
1912-13	673	8,133,370	1915-16	681	10,451,800
1913-14	680	8,058,355			1,692,362
		1,611,671			2,090,360

*STOCK OUTSTANDING

June 30, 1916.

Ordinary	\$32,679,500
Deferred Ordinary	2,473,785
Preference (5%)	13,932,145

*Ordinary £6,535,900; Deferred Ordinary £494,757; Preference (5% Cumulative) £2,786,429, $\frac{1}{2}$ 5% "A" Irredeemable Debenture Stock, £389,000; Consolidated Irredeemable Debenture Stock, £1,425,900; 5% Irredeemable Debenture Stock, £3,004,669; 4% Redeemable Debenture Stock, £1,281,455, and $4\frac{1}{2}$ % Redeemable Deb. Stock, £988,750.

†BONDS OUTSTANDING

June 30, 1916.

Debentures and Debenture Stock	\$35,403,370
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CAPITALIZATION

	Total	Per Mile
Stock (£9,817,086)	\$49,085,430	\$72,078
Debentures (£7,080,774)	35,403,870	51,988
Total (£16,897,860)	84,489,300	124,066
Fixed Charges below include \$20,000 (£4,000) Lease of Mariano Ry., (\$257,735) £51,547 Cuban Taxes, \$100,000 (£20,000) Income Tax and \$204,685 (£40,937) Excess Profit Duty, 1914-15.		

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 681.		
Operating Revenues (£2,090,360)	\$10,451,800	\$15,348
Operating Expenses (£1,129,238)	5,646,190	8,291
Net Operating Revenues (£961,122)	4,805,610	7,057
Other Income (£383,803)	1,919,015	2,818
Gross Corporate Income (£1,344,925)	6,724,625	9,875
Fixed Charges (£464,483)	2,322,415	3,410
*Surplus (£880,442)	4,402,210	6,465

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£242,175)	\$1,210,875	\$1,778
Maintenance of Equipment (£215,943)	1,079,715	1,585
Transportation Expenses (£542,052)	2,710,260	3,980
Misc. and General Expenses (£129,068)	645,340	948
Ratio of Operating Expenses to Operating Revenues, 54.0 per cent.		

*This Surplus before deducting \$2,075,000 (£415,000) Transferred to Reserve Accounts.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	18.5%	16.0%
For Traffic and other Operating Expenses	27.1%	28.0%
For Fixed Charges	18.8%	20.0%
For Surplus	35.6%	36.0%
	100.0%	100.0%

WESTERN RY. OF HAVANA.

Year	Avg. Miles		Gross	Year	Avg. Miles		Gross
	Oper.				Oper.		
1910-11	147	\$1,295,755	£259,151	1913-14	147	\$1,433,525	£286,705
1911-12	147	1,283,270	256,654	1914-15	147	1,440,060	288,012
1912-13	147	1,406,325	281,265	1915-16	147	1,534,045	306,809

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.		June 30, 1916.	
Common	\$5,500,000	Fixed Interest	\$2,950,000

CAPITALIZATION

	Total	Per Mile
Stock (£1,100,000)	\$5,500,000	\$37,415
Debenture Stock (£590,000)	2,950,000	20,068
Total (£1,690,000)	8,450,000	57,483

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 147.	Total	Per Mile
Operating Revenues (£306,809)	\$1,534,045	\$10,436
Operating Expenses (£200,492)	1,002,460	6,819
Net Operating Revenues (106,317)	531,585	3,617
Other Income (£13,668)	68,340	465
Gross Corporate Income (£119,985)	599,925	4,082
Fixed Charges (£37,256)	186,280	1,267
*Surplus (£82,729)	413,645	2,815

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£43,461)	\$217,305	\$1,478
Maintenance of Equipment (£38,773)	193,865	1,318
Transportation Expenses (£90,307)	451,535	3,072
Miscellaneous and General Expenses (£27,951)	139,755	951

Ratio of Operating Expenses to Operating Revenues, 65.4 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	25.7%	22.9%
For Traffic and other Operating Expenses	36.9%	38.4%
For Fixed Charges	11.6%	12.4%
For Surplus	25.8%	26.3%
	100.0%	100.0%

See Notes, page 468.

INTERNATIONAL RYS. OF CENTRAL AMERICA.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1912	407	\$2,352,385	\$820,891	1914	520	†\$2,595,241	†\$623,480
1913	489	2,461,797	723,411	1915	*534	†2,337,928	†450,836

*Atlantic Division (195 miles); Central Division (138 miles); Occidental Ry. (51 miles); Ocos Division (12 miles); Salvador Division (97 miles); Pan American Extension (41 miles). An additional 13 miles were under construction and 296 miles are to be constructed (see Notes). †Includes Gross (\$130,904, 1915-16) and Net Profit (\$34,267, 1915-16) of the Occidental R. R. The International Rys. of C. A. own 26,415 shares of a total of 30,000 shares of the Occidental R. R.

STOCK OUTSTANDING

December 31, 1915.

Common	\$30,000,000
Preferred (5%)	10,000,000

*Includes \$2,500,000 bonds which matured April 1, 1916, but which have been extended to 1931.

Bills payable, December 31, 1915, \$102,567.

BONDS OUTSTANDING

December 31, 1915.

*Fixed Interest	\$10,850,000
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CAPITALIZATION

	Total	Per Mile
Stock	\$40,000,000	\$74,906
Bonds	10,850,000	20,318
Total	50,850,000	95,224
Fixed Charges below include \$12,139 Amortization of Discount on Funded Debt.		

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

Average miles operated, 534.	Total	Per Mile
Operating Revenues	\$2,337,928	\$4,378
Operating Expenses	1,328,885	2,483
Net Operating Revenues	1,012,043	1,895
Other Income	46,701	87
Gross Corporate Income	1,058,744	1,982
Fixed Charges (including for Taxes, \$11,336)	607,808	1,138
*Surplus	450,836	844

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$373,451	\$699
Maintenance of Equipment	243,244	456
Conducting Transportation	534,060	1,000
General Expenses	175,130	328

Ratio of Operating Expenses to Operating Revenues 56.8 per cent.

*Surplus reported by Company \$416,669; to this is added \$34,267 Net Earnings of Occidental Division.

APPROPRIATION OF GROSS INCOME

	1915	1914	1913	1912
For Maintenance Expenses	25.8%	23.5%	19.1%	19.1%
For Traffic and other Operating Expenses	29.8%	31.0%	32.7%	27.0%
For Fixed Charges	25.5%	21.8%	21.8%	19.6%
For Surplus	18.9%	23.7%	23.4%	34.3%
	100.0%	100.0%	100.0%	100.0%

	1915	1914	1913	1912
Miles, yards and sidings	53	43	48	45

See Notes, page 469.

PANAMA R. R.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1907-8	50	\$4,541,438	\$1,390,017	1911-12	51	\$4,677,366	\$1,762,049
1908-8	50	4,267,162	1,522,780	1912-13	62	4,599,163	2,179,176
1909-10	50	4,224,062	1,254,778	1913-14	62	4,567,406	2,303,340
1910-11	50	4,149,445	1,711,080	1914-15	*57	†2,787,057	914,861

*Actual mileage of tracks maintained by Panama R. R., 208 miles. This included 77 miles owned by the Panama Canal division of the U. S. Government. †Does not include \$2,642,457 Gross Revenues from Steamship Line (\$2,255,101 in 1913-14; \$2,151,158 in 1912-13; \$1,996,299 in 1911-12, and \$1,860,111 in 1910-11 [see below]). Figures for 1915-16 not obtainable at date of going to press.

†STOCK OUTSTANDING

June 30, 1915.

Common\$7,000,000

*DUE U. S. GOVERNMENT

For Improvements, etc...\$1,399,115

For Funds Advanced to

Pay Off Bonds 1,848,217

*In accordance with an act of Congress, March, 1911, the Company has been relieved from further payments as to principal and interest. The Company, however, until further action, is held accountable for this indebtedness.

CAPITALIZATION

	Total	Per Mile
Stock	\$7,000,000	\$122,807
Due U. S. Government	3,247,332	56,971
Total	10,247,332	179,778

Fixed Charges below include \$78,470 for Rentals.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1915

Average miles operated, 57.		Total	Per Mile
Operating Revenues		\$2,787,057	\$48,896
Operating Expenses		2,607,479	45,745
Net Operating Revenues		179,578	3,151
Other Income (including \$99,039 from Rentals)		828,592	14,536
Gross Corporate Income		1,008,170	17,687
Fixed Charges (including for Income Tax, \$14,839) ..		93,309	1,637
*Surplus		914,861	16,050

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way	\$315,357	\$5,533
Maintenance of Equipment	566,363	9,936
Traffic Expenses	13,702	240
Transportation Expenses	1,022,500	17,939
Miscellaneous and General Expenses	†689,557	12,097

Ratio of Operating Expenses to Operating Revenues 93.6 per cent.

*Surplus for period July 1 to October 31, 1915, \$555,796, as compared with \$321,180 July 1 to October 31, 1914. †Includes \$574,398 Expenses of Loading and Discharging Vessels, also Freight Handling, Lighterage, Harbor Service, etc. (General Expenses amounted to \$209,391).

Other Income above includes \$499,853 Net, Revenue from Operations of Steamship Lines (Gross \$2,642,457; Operating Expenses \$2,142,604).

APPROPRIATION OF GROSS INCOME

	1914-15	1913-14	1912-13	1911-12	1910-11
For Maintenance Expenses	24.4%	17.0%	17.0%	16.1%	19.4%
For Traffic and Other Operating Expenses	47.7%	36.1%	37.7%	39.9%	39.0%
For Fixed Charges	2.6%	2.2%	2.3%	7.2%	1.3%
For Surplus	25.3%	44.7%	43.0%	36.8%	40.3%

100.0%	100.0%	100.0%	100.0%	100.0%
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	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	651,119	1,074,203	1,301,088	1,409,679
Passenger miles per mile of road	460,993	586,315	562,199	631,483

See Notes, page 470.

ARGENTINE NORTHEASTERN RY.

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross		Year	Oper.	Gross	
1910-11	614	\$1,465,115	£293,023	1913-14	666	\$1,742,445	£348,489
1911-12	665	1,596,590	319,312	1914-15	708	1,298,135	259,627
1912-13	665	1,835,125	367,025	1915-16	752	1,643,580	328,716

STOCK OUTSTANDING

June 30, 1916.

Common\$13,842,500

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest\$16,079,895

CAPITALIZATION

	Total	Per Mile
Stock (£2,768,500)	\$13,842,500	\$18,408
Bonds (£3,215,979)	16,079,895	21,383
Total	29,922,395	39,791

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 752.		
Operating Revenues (£328,716)	\$1,643,580	\$2,186
Operating Expenses (£194,655)	973,275	1,293
Net Operating Revenues (£134,061)	670,305	891
Other Income (£1,969)	9,845	13
Gross Corporate Income (£136,030)	680,150	904
Fixed Charges (£135,220)	676,100	899
*Surplus (£810)	4,050	5

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£40,050)	\$200,250	\$266
Maintenance of Equipment (£22,613)	113,065	150
Transportation Expenses (£102,325)	511,625	680
Miscellaneous and General Expenses (£29,667)	148,335	197

Ratio of Operating Expenses to Operating Revenues 59.2 per cent.

*This Surplus before deducting \$100,000 (£20,000) for Renewals).

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	18.9%	25.2%
For Traffic and other Operating Expenses	39.9%	45.1%
For Fixed Charges	40.9%	50.9%
For Surplus	3%	Deficit
	100.0%	

See Notes, page 471.

BUENOS AYRES & PACIFIC RY.

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles		Gross	Year	Avg. Miles		Gross
	Oper.				Oper.		
1910-11	3,114	\$24,104,205	£4,820,841	1913-14	3,473	\$24,408,325	£4,881,665
1911-12	3,240	24,883,255	4,976,651	1914-15	3,527	22,694,715	4,538,943
1912-13	3,404	27,953,065	5,590,613	1915-16	3,534	23,275,095	4,655,019

STOCK OUTSTANDING

June 30, 1916.

Ordinary	\$50,000,000
1st Preference (5%)	6,000,000
2d Preference (5%)	5,000,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$84,713,365
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CAPITALIZATION

	Total	Per Mile
Stock	\$61,000,000	\$17,261
Bonds	84,713,365	23,971
Total	145,713,365	41,232

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 3,534.		
Operating Revenues (£4,655,019)	\$23,275,095	\$6,586
Operating Expenses (£2,846,986)	14,234,930	4,028
Net Operating Revenues (£1,808,033)	9,040,165	2,558
Other Income (£241,000)	1,205,000	341
Gross Corporate Income (£2,049,033)	10,245,165	2,899
Fixed Charges (£1,621,000)	8,105,000	2,293
Surplus (£428,033)	2,140,165	606

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£337,122)	\$1,685,610	\$477
Maintenance of Equipment (£488,647)	2,443,235	691
Traffic and Transportation Expenses (£1,668,828)	8,344,140	2,361
Miscellaneous and General Expenses (£352,389)	1,761,945	499

Ratio of Operating Expenses to Operating Revenues 61.2 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	16.8%	17.9%
For Traffic and other Operating Expenses	41.3%	41.8%
For Fixed Charges	33.1%	37.7%
For Surplus	8.8%	2.6%
	100.0%	100.0%
	1914-15	1913-14
Ton miles per mile of road	317	294
Passenger miles per mile of road....	728	612
		568

See Notes, page 472.

BUENOS AIRES CENTRAL RY.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1912-13	175	\$1,351,765	1914-15	230	\$1,224,220
1913-14	175	1,445,570	1915-16	252	1,452,900
		£270,353			£244,844
		289,114			290,580

STOCK OUTSTANDING

June 30, 1916.

*Common	\$8,802,185	†Fixed Interest	\$6,500,000
*20,165,000 m/n, Argentine Currency.			
†£700,000 4½% Debentures and		£600,000 5% Debentures.	

BONDS OUTSTANDING

June 30, 1916.

CAPITALIZATION

	Total	Per Mile
Stock (£1,760,437)	\$8,802,185	\$34,929
Bonds (£1,300,000)	6,500,000	25,794
Total (£3,060,437)	15,302,185	60,723

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 252.		
Operating Revenues (£290,580)	\$1,452,900	\$5,765
Operating Expenses (£140,940)	704,700	2,796
Net Operating Revenues (£149,640)	748,200	2,969
Other Income (£5,693)	28,465	113
Gross Corporate Income (£155,333)	776,665	3,082
Fixed Charges (£61,500)	307,500	1,220
Surplus (£93,833)	469,165	1,862

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£15,479)	\$77,395	\$307
Maintenance of Equipment (£7,574)	37,870	150
Traffic and Transportation Expenses (£92,015)	460,075	1,826
Miscellaneous and General Expenses (£25,872)	129,360	513
Ratio of Operating Expenses to Operating Revenues	48.5 per cent.	

APPROPRIATION OF GROSS INCOME

	1915-16
For Maintenance Expenses	7.8%
For Traffic and other Operating Expenses	39.8%
For Fixed Charges	20.7%
For Surplus	31.7%
	100.0%

BUENOS AYRES GREAT SOUTHERN RY.

Note: The statements of this Company are rendered 'expressed in Pounds Sterling; in this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross		Year	Oper.	Gross	
1906-7	2,613	\$21,270,045	£4,254,009	1911-12	3,380	\$27,020,479	£5,404,096
1907-8	2,613	22,211,880	4,442,376	1912-13	3,544	32,846,724	6,569,345
1908-9	2,716	23,241,495	4,649,499	1913-14	3,655	27,322,940	5,464,588
1909-10	2,770	23,009,620	4,601,924	1914-15	3,763	24,708,135	4,941,621
1910-11	3,044	24,941,900	4,988,380	1915-16	3,792	27,745,700	5,549,140

STOCK OUTSTANDING

BONDS OUTSTANDING

June 30, 1916.				June 30, 1916.			
Common	.....	\$145,450,000		Fixed Interest	.....	\$82,527,450	
Preferred (5%)	.....	40,000,000		Annuity (4½%)	.....	1,213,000	

CAPITALIZATION

	Total	Per Mile
Stock	\$185,450,000	\$48,906
Bonds	83,740,450	22,083
Total	269,190,450	70,989

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 3,792.		
Operating Revenues (£5,549,140)	\$27,745,700	\$7,317
Operating Expenses (£3,164,976)	15,824,880	4,173
Net Operating Revenues (£2,384,164)	11,920,820	3,144
Other Income (£71,795)	358,975	95
Gross Corporate Income (£2,455,959)	12,279,795	3,239
Fixed Charges (£802,822)	4,014,110	1,059
*Surplus (£1,653,137)	8,265,685	2,180

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£535,646)	\$2,678,230	\$706
Maintenance of Equipment (£439,310)	2,196,550	579
Traffic and Transportation Expenses (£1,708,763)	8,543,815	2,253
General Expenses (£481,257)	2,406,285	635
Ratio of Operating Expenses to Operating Revenues	57.0 per cent.	

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	17.3%	18.7%
For Traffic and other Operating Expenses	39.0%	39.8%
For Fixed Charges	14.3%	17.3%
For Surplus	29.4%	24.2%
	100.0%	100.0%

	1914-15	1913-14	1912-13	1911-12
Ton miles per mile of road	*149,047	*166,216	*236,208	*175,685
Passenger miles per mile of road	110,131	130,479	146,163	131,345

See Notes, page 473.

BUENOS AYRES WESTERN RY.

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles		Gross		Year	Avg. Miles		Gross	
	Oper.					Oper.			
1907-8	1,219	\$11,026,185	£2,205,237		1912-13	1,781	\$14,530,040	£2,906,008	
1908-9	1,305	11,484,300	2,296,860		1913-14	1,792	12,645,890	2,529,178	
1909-10	1,365	11,502,550	2,300,510		1914-15	1,867	12,613,410	2,522,682	
1910-11	1,586	13,170,932	2,634,186		1915-16	1,870	13,573,110	2,714,622	
1911-12	1,659	12,128,413	2,425,683						

*STOCK OUTSTANDING

June 30, 1916.

†Ordinary	\$86,738,300
Preference (5%)	1,500,000
Preference (4½%)	12,761,700

*£17,347,660 Ordinary; £300,000 5% Preference; £2,552,340 4½% Preference. †Including \$18,000,000 converted into Ordinary Stock during 1915-16. ‡£1,000,000 Government Bonds, 1888 issue; £7,872,203 4% Debenture Stock. £1,000,000 5% Terminable Debenture Stock (1925).

BONDS OUTSTANDING

June 30, 1916.

‡Fixed Interest	\$49,361,015
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CAPITALIZATION

	Total	Per Mile
Stock	\$101,000,000	\$54,011
Bonds	49,361,015	26,396
Total	150,361,015	80,407

Fixed Charges below include £68,296 payments to B. A. Midland Ry. Under Working Agreements.

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 1,870.		
Operating Revenues (£2,714,622)	\$13,573,110	\$7,258
Operating Expenses (£1,580,482)	7,902,410	4,226
Net Operating Revenues (£1,134,140)	5,670,700	3,032
Other Income (£276,545)	1,382,725	739
Gross Corporate Income (£1,410,685)	7,053,425	3,771
Fixed Charges (£512,541)	2,562,705	1,370
*Surplus (£898,144)	4,490,720	2,401

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£253,994)	\$1,269,970	\$679
Maintenance of Equipment (£272,759)	1,363,795	729
Traffic and Transportation Expenses (£860,093)	4,300,465	2,300
General Expenses (£193,636)	968,180	518

Ratio of Operating Expenses to Operating Revenues 53.2 per cent.

Other Income above includes £149,808 from Interest and Rentals, but does not include £53,911 balance brought forward from June 30, 1915, in accordance with British accounting methods.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	17.6%	17.5%
For Traffic and other Operating Expenses	35.2%	40.8%
For Fixed Charges	17.1%	12.2%
For Surplus	30.1%	29.5%
	100.0%	100.0%

	1915-16	1914-15	1913-14
Ton miles per mile of road	256,730	266,824	262,590
Passenger miles per mile of road	89,115	90,034	111,406

See Notes, page 474.

CENTRAL ARGENTINE RY.

Avg. Miles				Avg. Miles			
Year	Oper.	Gross		Year	Oper.	Gross	
1911-12	2,870	\$26,119,075	£5,223,815	1914-15	3,236	\$28,776,270	£5,755,254
1912-13	2,994	32,446,730	6,489,346	1915-16	3,304	23,685,465	5,737,093
1913-14	3,151	30,290,700	6,058,140				

STOCK OUTSTANDING

June 30, 1916.

Consolidated Ordinary	..\$140,934,750
Preference (4½%)	 48,478,590
Deferred	 4,059,000

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$67,751,640
Western Annuities	 10,087,500
Notes (5%) due 1916	 15,000,000

CAPITALIZATION

	Total	Per Mile
Stock	\$193,472,340	\$58,557
Bonds	 92,839,140	28,099
Total	 286,311,480	86,656

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

Average miles operated, 3,304.	Total	Per Mile
Operating Revenues (£5,737,093)	\$28,685,465	\$8,682
Operating Expenses (£3,702,100)	 18,510,500	5,603
Net Operating Revenues (£2,034,993)	 10,174,965	3,079
Other Income (£106,236)	 531,180	161
Gross Corporate Income (£2,141,229)	 10,706,145	3,240
Fixed Charges (£800,198)	 4,000,990	1,211
Surplus (£1,341,031)	 6,705,155	2,029

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£556,417)	\$2,782,085	\$842
Maintenance of Equipment (£521,170)	 2,605,850	789
Traffic and Transportation Expenses (£2,118,637)	 10,593,185	3,206
Miscellaneous and General Expenses (£505,876)	 2,529,380	766

Ratio of Operating Expenses to Operating Revenues 64.5 per cent.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	18.4%	17.3%
For Traffic and other Operating Expenses	44.9%	39.3%
For Fixed Charges	13.8%	11.5%
For Surplus	22.9%	31.9%
	100.0%	100.0%

See Notes, page 475.

ENTRE RIOS RYS.

(Argentine Republic.)

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1911-12	688	\$2,360,505	1914-15	730	\$2,188,150
1912-13	730	3,055,725	1915-16	799	3,062,165
1913-14	742	3,049,250			

Surplus after Charges for each of the five years as above was as follows. 1911-12, £89,282; 1912-13, £117,320; 1913-14, £135,010; 1914-15 (deficit) £61,043; 1915-16, £67,472.

STOCK OUTSTANDING

June 30, 1916.

Ordinary	\$8,915,700
Preference 1st (5%)	10,000,000
Preference 2d (4%)	3,670,245

BONDS OUTSTANDING

June 30, 1916.

Fixed Interest	\$17,540,000
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CAPITALIZATION

	Total	Per Mile
Stock	\$22,585,945	\$28,268
Bonds	17,540,000	21,952
Total	40,125,945	50,220

INCOME ACCOUNT YEAR ENDING JUNE 30, 1916

	Total	Per Mile
Average miles operated, 799.		
Operating Revenues (£612,433)	\$3,062,165	\$3,832
Operating Expenses (£373,013)	1,865,065	2,334
Net Operating Revenues (£239,420)	1,197,100	1,498
Other Income (£3,105)	15,525	19
Gross Corporate Income (£242,525)	1,212,625	1,517
Fixed Charges (£175,053)	875,265	1,095
*Surplus (£67,472)	337,360	422

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£59,723)	\$298,615	\$374
Maintenance of Equipment (£37,887)	189,435	237
Traffic and Transportation Expenses (£170,233)	851,165	1,065
Miscellaneous and General Expenses (£105,170)	525,850	658

Ratio of Operating Expenses to Operating Revenues 60.9 per cent.

*This Surplus before deducting \$50,000 (£10,000) for Reserves and Renewals.

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	15.9%	23.6%
For Traffic and other Operating Expenses	44.8%	50.6%
For Fixed Charges	28.4%	37.1%
For Surplus	10.9%	Deficit
	100.0%	

	1915-16	1914-15	1913-14	1912-13
Ton miles per mile of road	137,457	84,563	117,822	118,421
Passenger miles per mile of road ...	25,425	24,063	35,459	27,346

See Notes, page 476.

ANTOFAGASTA (CHILI) & BOLIVIA RY.

(Chili and Bolivia.)

Note: The statements of this Company are rendered expressed in Pounds Sterling. In this table, for convenience sake, the basis of \$5.00 per Pound Sterling is used.

Year	Avg. Miles Oper.	Gross	Year	Avg. Miles Oper.	Gross
1912	769	\$8,319,675 £1,663,935	1914	820	\$7,154,635 £1,430,927
1913	795	9,058,875 1,811,775	1915	*820	6,102,905 †1,220,581

*Chilian Section 518 miles; Bolivian Section 302 miles. †Chilian Section £1,036,025; Bolivian Section £185,556.

STOCK OUTSTANDING

December 31, 1915.	
Pfd. Ordinary	\$10,000,000
Def. Ordinary	10,000,000
Preference (5%)	10,000,000

BONDS OUTSTANDING

December 31, 1915.	
*Fixed Interest	\$20,500,000
Notes (6%)	3,000,000

*Does not include \$3,750,000 (£750,000) bonds held as collateral.

CAPITALIZATION

	Total	Per Mile
Stock (£6,000,000)	\$30,000,000	\$36,586
Bonds (£4,100,000)	20,500,000	25,000
Total (£10,100,000)	50,500,000	61,586

Fixed Charges below include \$49,380 (£9,876) Discount on Notes and \$166,235 (£33,247) Income Tax.

INCOME ACCOUNT YEAR ENDING DECEMBER 31, 1915

	Total	Per Mile
Average miles operated, 820.		
Operating Revenues (£1,220,581)	\$6,102,905	\$7,443
Operating Expenses (£652,929)	3,264,645	3,981
Net Operating Revenues (£567,652)	2,838,260	3,462
Other Income (£182,047)	910,235	1,110
Gross Corporate Income (£749,699)	3,748,495	4,572
Fixed Charges (including for Taxes £269,123)	1,345,615	1,641
*Surplus (£480,576)	2,402,880	2,930

OPERATING EXPENSES

	Total	Per Mile
Maintenance of Way (£118,220)	\$591,110	\$721
Maintenance of Equipment (£117,191)	585,955	714
Traffic and Transportation Expenses (£238,995)	1,194,975	1,457
Miscellaneous and General Expenses (£178,523)	892,615	1,089
Ratio of Operating Expenses to Operating Revenues, 53.5%.		
Other Income above includes \$446,760 (£89,352) Interest on Bolivia Ry. Bonus (less tax) and \$398,655 (£79,731) Net Revenue from Waterworks (Gross £101,475; Expenses £21,744).		

APPROPRIATION OF GROSS INCOME

	1915-16	1914-15
For Maintenance Expenses	16.8%	17.0%
For Traffic and other Operating Expenses	29.8%	33.4%
For Fixed Charges	19.2%	15.4%
For Surplus	34.2%	34.2%

See Notes, page 477.

NOTES

BANGOR & AROOSTOOK R. R.

See Table, page 58.

Dividends have been paid by this company since 1904 (initial dividend paid January, 1904): 1904, 3%; '05, 3½%; '06-'12, 4% yearly; '13, 3%; '14, 3½%; '15, 3%; '16, 3%. The 1916 dividend was paid, 1% January; 2% July. In January, 1917, 1% was paid.

From 1900-1 to 1909-10, inclusive, the aggregate sum of \$886,821 was appropriated from surplus for additions and betterments.

The Aroostook Construction Co., which controls this road, has authorized an issue of \$2,500,000 5-year Collateral bonds due May 1, 1917, of which \$1,915,000 have been issued to fund floating debt of the Bangor & Aroostook Railroad and the Construction Co. Bonds are secured by \$2,156,500 stock and \$1,350,000 Consolidated 4% bonds of the Railroad and by other collateral.

On June 30, 1905, \$1,050,000 stock was outstanding (including \$500,000 issued for cash in 1903); since that date \$2,398,600 new stock has been issued as follows, mostly sold at par:

1906 to purchase Fish River R. R. (leased line).....	\$500,000
1908 for additions, equipment, new lines, etc.	960,000
1910-11 toward construction of Extensions.....	688,600
1914-15 for purchase of Van Buren Bridge Stock	250,000

Total	\$2,398,600
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In addition to the stock issued to purchase or construct above lines there have been issued \$4,720,000 Northern Maine Seaport & Terminal 5% bonds due 1935, \$1,000,000 Medford Extension 5s due 1937; \$1,800,000 St. John River Extension 5s due 1939, and \$1,650,000 Washburn Extension 5s due 1939. The two latter extensions (60 miles and 55 miles respectively) were completed in 1910.

In 1915 there was completed and opened for traffic an international bridge between Van Buren, Me., and St. Leonard, N. B., connecting the Bangor & Aroostook R. R. with various Canadian lines. This bridge is operated by the Van Buren Bridge Co., all the stock of which is owned by the Bangor & Aroostook R. R., which company guarantees \$250,000 First Mortgage 20-year 6% bonds.

In 1901, the directors authorized a consolidated mortgage for \$20,000,000, of which \$12,500,000 bonds were to be used or reserved to take up the outstanding bonds and the preferred stock; \$3,000,000 for improvements over a series of years, and the remaining \$4,500,000 for extensions at the rate of \$25,000 per mile, including equipment. These bonds are due 1951 and bear 4% interest. There were outstanding of this issue June 30, 1916, \$8,431,000.

On May 1, 1915, \$1,500,000 one-year 5% Notes were issued to

retire \$1,250,000 Notes due May 15, 1915, and for other purposes. At maturity these Notes were paid off and \$2,000,000 two-year 5% Notes due April 1, 1918, issued.

Current Assets, June 30, 1916, \$1,315,152; Current Liabilities, \$711,834.

Products of Forests contributed 41.5% of total freight tonnage in 1915-16 against 38% in 1914-15; 34½% in 1913-14 and 36½% in 1912-13. Products of Agriculture (mostly potatoes) contributed 24% of the tonnage handled during 1915-16.

Main and second track as of June 30, 1916, contained:

249 miles of 85-pound rail, 404 miles of 70-pound rail,
10 miles of 56-pound rail.

BOSTON & MAINE R. R.

See Table, page 59.

The preferred stock of this company is limited to non-cumulative dividends of 6% per annum. Dividends have been paid on the preferred and common stocks as follows:

	1899	'00 to '07	'08	'09-'10	'11	'12	'13	'14 to '16
Preferred ...	6	6	6	6	6	6	‡3	0
Common	6¼	7 yr'ly	*6¾	6	‡5	4	\$1	0

*Reduced to a 6% rate in October, 1908. † Reduced from a 6% rate to a 4% rate in July, 1911. ‡Passed September, 1913. \$Passed July, 1913.

RECEIVERSHIP OF COMPANY.

On August 29, 1916, Jas. H. Hustis, president of the Boston & Maine R. R. was appointed Receiver for the company. There were outstanding on that date Notes to the amount of \$13,306,060, due September 1, 1916, while subsidiary companies, namely the Vermont Valley R. R., and the Connecticut River R. R. had maturing obligations amounting to \$2,300,000 and \$2,000,000 respectively. The Vermont Valley R. R. Notes were endorsed by the Boston & Maine R. R. The September coupons on \$10,000,000 4% bonds due 1926, and the October coupons on \$11,700,000 4½% bonds of 1937, were not paid when due. See a later paragraph regarding Readjustment Plan proposed February 11, 1916, and later abandoned.

ACQUISITION OF CONTROL BY THE "NEW HAVEN."

Until March, 1914, \$21,918,900 common stock and \$654,300 preferred stock of the Boston & Maine R. R. (about 53%) was held by the Boston R. R. Holding Co. This stock, following the Government's decree that the "New Haven" must dispose of its holdings in Boston & Maine R. R. stock, was transferred to five trustees. After arrangements have been made to protect the stock of the Holding Co. the trustees are to sell the Boston & Maine R. R. stock before January 1, 1918. The common stock of the Boston R. R. Holding Co. (\$3,106,500) is owned by the New York, New Haven & Hartford R. R. The history of the acquisi-

tion of control of the Boston & Maine R. R. by the "New Haven" is as follows:

In 1906-7, the "New Haven" acquired \$10,994,800 (about 38%) of the stock of the Boston & Maine R. R. This stock was exchanged share for share for "New Haven" stock. It was contemplated to give all the stockholders of the Boston & Maine R. R. the opportunity to dispose of their stock on the same terms, but before the agreement to this end became effective legislation was enacted in Massachusetts prohibiting any further acquisition of stock by the "New Haven" before July 1, 1908. These holdings acquired by the "New Haven" were transferred to John L. Billard. In 1909, the Boston R. R. Holding Co. was incorporated to take over the \$10,994,800 stock held by John L. Billard. This company which was formed in the interest of the "New Haven" in October, 1909, took over the \$10,994,800 Boston & Maine R. R. stock held by John L. Billard at \$140 per share, payable 125% in the 50-year 4% bonds of the holding company, redeemable at 105, and 15% in its stock. Late in 1909 and early in 1910 the Boston R. R. Holding Co. purchased \$4,362,300 additional common stock at \$154 per share, payable \$125 in 4% bonds and \$29 in stock; also \$654,300 preferred stock at \$162 per share, payable \$125 in 4% bonds and \$37 in stock. This increased the Holding Co.'s Boston & Maine R. R. stock to \$15,357,100 common, of a total of \$28,841,300, and \$654,300 preferred of a total of \$3,149,800; in all about 51% of total stock outstanding.

In June, 1910, the Boston R. R. Holding Co. authorized an issue of non-voting preferred stock guaranteed by the "New Haven" and secured by an equal amount of Boston & Maine R. R. stock, this preferred stock to take the place of bonds previously issued. This stock is subjected to call at 110 at any time.

In January, 1911, the Boston R. R. Holding Co. subscribed to \$6,334,500 of \$10,663,700 new Boston & Maine R. R. common stock sold to stockholders at 110 (see a following paragraph). This stock, with a small additional amount acquired, brought the total owned to the amount stated in the first paragraph above. The securities issued by the Boston R. R. Holding Co. in exchange for this stock to June 30, 1916, amounted to \$3,106,500 common stock and \$27,293,900 preferred stock. All of the common stock and all except \$2,800,000 preferred stock (sold in 1910) was held by the "New Haven" on June 30, 1916.

SECURITIES OWNED.

The Boston & Maine R. R. held on June 30, 1916, among its treasury assets, \$5,551,400 of the common stock of the Fitchburg R. R. (carried at a ledger value of \$5,488,395). All the balance of outstanding common stock of the Fitchburg R. R. is owned by that company itself. The Fitchburg R. R. is leased. The Boston & Maine R. R. has purchased the \$3,999,800 stock of the Worcester,

Nashua and Rochester R. R. (previously leased), at \$150 per \$100 share and has assumed that company's bonds. \$280,000 stock of the Boston & Lowell R. R. and \$333,500 stock of the Concord & Montreal R. R. (both leased lines) was acquired in 1911-12 at a cost of \$1,151,048. \$281,900 additional Boston & Lowell R. R. stock was purchased in 1912-13, making a total of \$561,900 owned of a total of \$7,679,400 outstanding.

For many years prior to 1914, the Boston & Maine R. R. held control of the Maine Central R. R., owning as of June 30, 1913, \$15,960,100 of the stock (carried at a value of \$16,298,998); this included \$10,919,500 stock subscribed for in 1912-13. By vote of stockholders March 30, 1914, this stock was sold to the Maine Rys. Co. (see Maine Central R. R.), at \$95 per share, payable in Notes and cash. The net loss to the Boston & Maine R. R. on this transaction was \$1,136,899, which sum was charged to profit and loss.

EXPENDITURES FOR BETTERMENTS FROM INCOME.

From 1901-2 to 1908-9 there was included in operating expenses a total of \$5,515,262, appropriated under separate heading for new equipment.

SALES OF STOCK IN RECENT YEARS.

The company, during 1906, offered to stockholders, pro rata (one share for each five owned), at \$165 per share, \$5,331,900 common stock, most of the proceeds to be used to purchase freight cars; \$3,633,700 stock was subscribed for.

\$1,128,300 of common stock previously held in treasury was sold in January, 1910, for \$1,636,035.

In 1910-11, the company offered to stockholders pro rata (one share for each three owned) \$10,633,700 new common stock at \$110 per share; the proceeds to be used for new equipment and \$10,436,400 of this stock was subscribed for and the balance, \$227,300 was sold at auction, July, 1911, at \$105.25 per share.

\$10,663,700 additional common stock was authorized October 9, 1912, to be offered to stockholders at par. None of this stock has been sold. The proceeds of this stock issue were to have been used to pay off a part of the floating debt occasioned by the purchase of leased lines stocks and Maine Central R. R. stock.

BONDS AND NOTES ISSUED.

The bonds of the Boston & Maine R. R. outstanding June 30, 1916 (\$43,338,000), bear interest at the average rate of 4.05%.

Bonds of leased lines outstanding (\$45,301,000) bear interest at an average rate of 4.03%. Notes of leased lines outstanding amount to \$5,101,571; all, excepting \$500,000 5% bear interest at 6% per annum. These Notes matured between July 17, 1916, and February 15, 1917, and were mostly not paid off. The total capital

stock of leased roads outstanding June 30, 1916, was \$60,849,700, on which dividends were paid in 1915-16, at an average rate of 5.55%.

\$17,000,000 4% One-Year Notes due June 1914, were issued in 1913, to refund \$12,000,000 maturing Notes.. The balance of the proceeds of this Note issue, together with the proceeds of an issue of \$10,000,000 One-Year 5% Notes due February, 1914, (mostly extended to June 2, 1914, at 6¾%), was used to purchase \$10,918,500 Maine Central R. R. and \$281,900 Boston & Lowell R. R. stock and for improvements. On June 2, 1914, the holders of the \$27,000,000 Notes were given the option of extending for one year at 6% per annum, or of extending 60% on the same terms and 40% in 5-year 5% Notes of the Maine Rys. Co. On June 30, 1914, \$24,310,000 of these Notes remained outstanding (\$2,690,000 Notes were exchanged for Maine Rys. Co. Notes). At maturity, March 2, 1915, Noteholders were again requested to extend their Notes, this time to September 2, 1915, at 6% or else to extend 65% of their Notes and receive 35% in Maine Rys. Co. 5% Notes. A further extension for 6 months at 6% was asked prior to September 2, 1915. About 98% of the Noteholders agreed either to extend their Notes or to extend 80% of their Notes and receive 20% in Maine Rys. Co. 5% Notes. This reduced the Notes outstanding to \$13,306,060, due March 2, 1916. These Notes were extended at 6% to July 17, 1916, and again to August 31, 1916. Inability to pay the principal of the Note issue on the latter date caused the Company as stated above, to consent to a Receivership.

Under date of February 11, 1916, it was announced that a Plan of Consolidation of the Boston & Maine R. R. and certain leased roads had been formulated.. *This Plan has since been abandoned.* Under the Plan the Boston & Maine R. R. was to have authorized an issue of first preferred stock, cumulative after three years, having priority over the existing Boston & Maine R. R. preferred stock. Of the new first preferred stock \$7,679,400 carrying dividends at the rate of 8% per annum was to have been offered in exchange for a like amount of 8% guaranteed stock of the Boston & Lowell R. R., and \$18,860,000 carrying dividends at the rate of 5% per annum was to have been offered in exchange for a like amount of Fitchburg R. R. 5% guaranteed preferred stock. Common stockholders of the Boston & Maine R. R. were asked to participate in the plan under following conditions, these conditions being optional with the stockholder:

	Pay Cash	Receive 6% 1st Pfd. Stock	Retain Common Stock
(1)	\$15,802,040 (40%)	\$15,802,040 (40%)	\$39,505,100 (100%)
(2)	1,975,255 (5%)	None	39,505,100 (100%)
(3)	None	None	31,604,080 (80%)

The Boston & Maine R. R. preferred stockholders were to have

been allowed to purchase first preferred stock at par to the extent of 40% of their holdings. They were not asked to fulfill conditions (2) and (3) as above.

Holders of large amounts of Boston & Lowell R. R. stock and Fitchburg R. R. preferred stock agreed to the consolidation under the terms stated above.

MISCELLANEOUS.

The stock outstanding on June 30, 1916, was owned by 7,509 stockholders, residing as follows:

In Massachusetts,	4,913	persons, owning.....	380,679	shares
In New Hampshire,	1,309	" " " "	14,333	"
In Maine,	586	" " " "	17,132	"
Residing. Elsewhere,	701	" " " "	14,405	"

A statement of Combined Income for 1909-10 to 1915-16, of the Boston & Maine R. R. and other lines, owned and controlled, including St. Johnsbury & Lake Champlain R. R., Sullivan County R. R., Montpelier & Wells River R. R., Barre R. R., Conway Electric Street Ry., etc., with inter-company transactions eliminated, showed as follows:

	Gross	Surplus
1909-10	\$45,013,880	\$2,960,644
1910-11	46,630,306	519,500
1911-12	47,826,090	1,355,178
1912-13	50,458,560	105,742
1913-14	50,093,293 (loss)	2,169,554
1914-15	48,430,486 (loss)	476,440
1915-16	54,062,035	4,167,751

Current Assets June 30, 1916, amounted to \$19,186,834 against Current Liabilities amounting to \$22,082,203 (the latter total including the \$13,306,060 One-Year Notes.)

The Boston & Maine R. R. guarantees \$2,228,000 bonds of other companies (contingent liabilities) and \$2,300,000 Notes (joint guarantee).

See Maine Central R. R.; St. Johnsbury & Lake Champlain R. R.

CENTRAL VERMONT RY.

See Table, page 60.

\$2,191,100 of the \$3,000,000 stock and \$1,583,300 First Mortgage 4% bonds of the Central Vermont Ry. were on June 30, 1916, owned by the Grand Trunk Ry. of Canada. Under a traffic contract the Grand Trunk Ry. agrees to make good any deficiency in earnings to meet interest on the \$12,000,000 4% bonds up to 30% of the Grand Trunk's receipts from traffic interchanged. In 1913-14, \$259,258 was advanced by the Grand Trunk Ry. for this purpose.

Reference to the table of statistics will show the striking feature of the operating expenses for years has been that Traffic, Transportation and General Expenses have absorbed a very large proportion of the gross income from operation.

On June 30, 1916, there were held in the Treasury of the company \$250,000 bonds.

As of June 30, 1916, main track continued:

212 miles of 80-pound steel,	49 miles of 72-pound steel,
113 miles of 75-pound steel,	169 miles of 60- & 56-lb. steel.

A company known as the Central Vermont Transportation Co. was incorporated November 12, 1908, to build and operate a line of steamships between New London, the terminus of the Central Vermont Ry., and New York. All of the stock of this company is owned by the Central Vermont Ry., which company guarantees (June 30, 1916) \$725,000 5% bonds, maturing annually until 1922. This company paid an initial dividend of \$10,000 (5%) in 1910-11.

Dividends of \$20,000 were paid in 1911-12 and in 1912-13. In 1913-14, the dividend amounted to \$150,000, and in 1914-15 to \$22,500.

The Southern New England R. R. was chartered April, 1910, to build a line of road from Palmer, Mass., on the Central Vermont Ry. to Providence, R. I., where extensive terminals and docks were intended to be constructed. The railroad was intended to be owned and operated by the Grand Trunk Ry. of Canada (which see) and upon its completion the Central Vermont Ry. was intended to form part of a through route from Montreal and Canadian points to Providence, R. I.

In order to provide funds to complete the Southern New England R. R., to fund the existing First Mortgage, to retire floating debt, etc., the Central Vermont Ry. has authorized \$30,000,000 new bonds to be guaranteed by the Grand Trunk Ry.

As of June 30, 1916, the balance sheet showed Current Assets of \$1,233,833 as against Current Liabilities (including \$7,758,085 Loans and Bills Payable) of \$11,003,185. Among the Capital Assets (other than Current Assets), were \$8,384,749, advances to Affiliated Companies (mostly made to the Southern New England R. R.).

MAINE CENTRAL R. R.

See Table, page 61.

Dividends have been paid on the stock of this company in recent years as follows: For years prior to 1903-4, 6% per annum; 1903-4 to 1906-7 inclusive, 7%; 1907-8 to 1910-11, 8%. In October, 1911, the rate was reduced to 6% per annum. Dividends are payable quarterly beginning January.

On July 1, 1911, \$5,004,300 stock was authorized and issued.

Each stockholder was given the privilege of subscribing for one new share of stock at \$100 for each share held. The proceeds from this issue of stock were used to retire obligations maturing in 1912 (see below).

\$5,000,000 additional stock was authorized and issued to stockholders in June, 1912. Each stockholder was given the privilege of subscribing at par on the basis of one share of new stock for each two shares owned. The proceeds from the sale of this stock, were mostly used to reduce the company's indebtedness.

\$10,000,000 stock was authorized and issued to stockholders of record January 8, 1913. Stockholders were allowed to subscribe to this stock at par on the basis of two shares of stock for each three shares held. The proceeds from the sale of this stock were used to retire floating debt.

A majority (\$15,960,100 April 1, 1914) of the capital stock of this road was for a number of years owned by the Boston & Maine R. R. In order to remove the road from foreign control this stock was purchased in April, 1914, by the Maine Rys. The Maine Central R. R. subscribed at price of par to the entire stock of the Maine Rys., amounting to \$3,000,000. The latter issued \$12,202,000 5% Notes due April 1, 1919, and with the proceeds of these Notes and the sale of stock, purchased the \$15,960,100 stock of the Maine Central R. R. from the Boston & Maine R. R. at \$95.25 per share. Prior to June 30, 1915, the Maine Rys. Co. retired or exchanged for Maine Central R. R. stock \$237,000 of its Notes. The retirement of these Notes released \$308,700 par value Maine Central R. R. stock, which was sold to the latter company at \$95.25 per share. As of June 30, 1915, \$11,965,000 Maine Rys. Notes remained outstanding; the latter company on that date owning \$15,651,400 Maine Central R. R. stock. The Maine Rys. paid 5% dividend in 1914-15.

In November, 1915, the Maine Central R. R. sold \$7,000,000 of an authorized issue of \$25,000,000 20-year First and Refunding Mortgage 4½% bonds together with \$3,000,000 5% cumulative preferred stock. The sale of these securities involved the cancellation of \$9,115,000 Maine Rys. notes and likewise the cancellation of \$10,000,000 Maine Central R. R. common stock. The balance of the Maine Rys. Notes were assumed by the Maine Central R. R. and were called for payment October 1, 1916. The Maine Rys. Co. was dissolved. In April, 1916, \$6,000,000 additional 4½% First and Refunding Mortgage bonds were sold and the proceeds used to retire \$6,000,000 Notes.

OTHER COMPANIES CONTROLLED OR MERGED.

In 1904, this company acquired the \$2,500,000 stock and guaranteed an issue of \$2,500,000 3½% bonds of the Washington County Ry. This road was operated separately until July 1, 1911, when it was merged with the Maine Central R. R.

In 1907, and subsequently, the Maine Central R. R. acquired at a cost of \$670,225, \$705,500 of the \$736,640 capital stock of the Somerset Ry., which extends from Oakland, Me., to Kineo, Me., about 94 miles. This road was merged with the Maine Central R. R. July 1, 1911.

GENERAL.

On April 1, 1912, \$15,484,000 bonds and Notes matured (\$3,924,000 7% bonds; the balance 4% to 5% bonds and Notes). The Notes maturing amounted to \$6,500,000. \$12,000,000 One-Year 4% Notes were sold and the proceeds used toward refunding these bonds and Notes. The \$12,000,000 Notes were paid off largely with the proceeds derived from the sale of stock (see above). On May 1, 1914, \$6,000,000 5% 5-year Notes were issued. These Notes were called for payment at 102½, May 1, 1916.

In February, 1916, \$300,000 4% Debenture bonds of the Portland & Rumford Falls Ry. were sold. These bonds are guaranteed as to principal and interest by the Maine Central R. R.

Current Assets, including \$1,318,098 Materials and Supplies on hand, were on June 30, 1916, \$7,921,798 and Current Liabilities were \$4,503,935. Current Liabilities included \$2,492,000 Maine Rys. Notes assumed, which Notes, as stated, were called for payment, October, 1916.

NEW YORK, NEW HAVEN & HARTFORD R. R.

See Table, page 62.

The stock of this company received dividends from 1873 to 1893 at the rate of 10% per annum; in 1894 9% was paid; from 1895 to March, 1913, inclusive, 8% per annum was paid. In June, 1913, the dividend rate was reduced to a 6% basis. In December, 1913, the dividend was passed.

INCREASE IN CAPITAL SINCE 1903.

From July 1, 1903, to June 30, 1915, the New Haven increased its capitalization in the hands of the public as follows:

	Par Value.
Capital Stock	\$87,216,800
Mortgage Bonds	54,136,000
Debentures	145,710,900
Short Term Notes	30,139,000
<hr/>	
Total N. Y., N. H. & H. R. R.....	\$317,202,700
The New England Navigation Co. Notes.	20,000,000
N. Y., Westchester & Boston Ry. Bonds.	19,200,000
N. Y. Connecting Ry. one-half issue Bonds	8,000,000
<hr/>	
Grand Total	*\$363,378,520
From sale or exchange of above obligations	
there was secured, including premiums	\$388,049,310
*\$363,378,520 to June 30, 1916.	

Of the outstanding Debentures, \$39,029,000 6s, due 1948, are convertible into stock after January 15, 1923, and \$9,765,450 (original issue \$30,000,000—balance converted), 3½s, due 1956, were convertible into stock at 150 prior to January 1, 1916.

During the period July 1, 1903, to June 30, 1915 there was acquired additional property with book values as follows:

Additions and Betterments to The New York, New Haven & Hartford R. R. and leased lines and investment in securities of certain leased and controlled steam railroad lines.....		\$171,669,059
New York, Westchester & Boston Ry. Co.....	38,850,150	
The New York Connecting R. R. Co.....	9,450,000	
Grand Central Terminal Buildings, New York City....	6,001,794	
Total Steam Railroad and Terminal Properties...	\$225,971,003	

OUTSIDE PROPERTIES.

New York, Ontario and Western R. R. Stock.....	\$ 13,108,398
Rutland R. R. Securities	2,514,977
Gas and Water Power Companies	4,151,664
Miscellaneous Properties	1,475,673
Boston & Maine and Leased Line Stocks	31,079,669
Various Steamship Lines	14,242,719
Various Trolley Lines and Securities.....	100,527,389
Total Outside Investment	\$167,100,489
Grand Total (July 1, 1903, to June 30, 1915) ..	\$393,071,492

GUARANTEES.

In addition to the obligations issued for various purposes as above the "New Haven" guarantees principal and interest:

Central New England Ry. First Mortgage 4% bonds..	\$13,427,000
New England Investment & Security Co. preferred stock (also payment of principal at 105% on liquidation	4,000,000
The New England Investment & Security Co. Notes due Apr. 1, 1924	5,000,000
The New England Navigation Co. Debentures in case of termination of lease of Old Colony R. R.....	3,600,000
N. Y. Connecting R. R. 4½% bonds, due 1953, (as above) total issue \$24,000,000—New Haven's share.	12,000,000
N. Y. & Stamford Ry. 4% bonds.....	247,000
N. Y., Westchester & Boston First Mortgage 4½% bonds (as above)	19,200,000
Springfield R. R. preferred stock—Dividend of 4% and payment of principal at 105% on liquidation.....	3,387,900
Boston R. R. Holding Co. preferred stock, 4% per annum and par on liquidation, outstanding shares..	2,800,000
	\$63,661,900

INVESTMENTS.

The "New Haven" owns securities of other companies as follows: (1) Stocks in hands of Trustees appointed by U. S. Court, \$38,125,000 par value stock of a book value of \$52,119,953; (2) Stocks pledged \$41,038,900 par value; \$31,444,196 book value; (3) Stocks unpledged, \$77,133,124 par value; \$76,463,108 book value; (4) Bonds pledged, \$14,500,000 par value; \$14,270,027 book value; (5) Bonds and Notes unpledged, \$40,449,755 par value. A brief description of the more important companies follows:

I.

BOSTON & MAINE R. R.

See under Boston & Maine R. R. regarding ownership of a majority of the stock of that company by the Boston R. R. Holding Co. formed in the interest of the New Haven. This latter company holds the \$3,106,500 common stock and \$24,493,900 of the \$27,293,900 preferred stock (4%) of the Boston R. R. Holding Co., which stock is carried on the New Haven's books at par. The Boston R. R. Holding Co. owns Boston & Maine R. R. stock as follows:

	Par value	Book value
Common Stock	\$21,918,900	\$27,927,452
Preferred Stock	654,300	1,060,145
Bonds	1,000	922

The market value of the Boston & Maine R. R. stock as of June 30, 1916, was less than \$10,500,000. Under decree of the Court the investment in Boston & Maine R. R. stocks (as above), and in its leased lines' stock (\$839,100 par value; cost \$1,417,177, June 30, 1915), is to be disposed of if possible prior to January 1, 1918.

II.

RHODE ISLAND CO.

The "New Haven" owns the entire \$9,685,500 par value stock of the Rhode Island Co., carried at a book value of \$24,352,336; also owns \$2,964,798 Notes. The stock is held by Trustees appointed by the U. S. Court, who under Federal Decree shall exercise their best efforts to sell same before July 1, 1919. The New Haven in part payment for this stock authorized the issue of \$19,899,000 4% Debentures of the Providence Securities Co., due May 1, 1957 (\$719,000 in Treasury of New Haven), and has subsequently assumed the same. The Rhode Island Co. operated (June 30, 1916), 362 miles of street railway and 8½ miles of steam railroad lines, of which 40 miles were owned and 322 miles leased. For the year

ending June 30, 1916, the Rhode Island Co. reported earnings as follows:

	1915-16		
Total Oper. Revenues	\$5,484,875	increase	\$400,737
Net Oper. Revenue	1,907,170	increase	261,307
Other Income	119,783	decrease	1,972
Fixed Charges (incl. taxes)...	1,893,379	increase	10,332
Net Income	*133,574	increase	249,003

*Deficit 1914-15, \$115,429; Surplus for 1913-14, \$347,642.

No dividend was paid on the Rhode Island Co. stock in 1913-14, 1914-15 and 1915-16; in 1912-13, 6% was paid. Profit and Loss Surplus, June 30, 1916. \$885,146.

III.

NEW ENGLAND NAVIGATION CO.

The "New Haven" owned as of June 30, 1916, the entire \$49,405.-500 stock of the New England Navigation Co. (carried at a book value of \$53,322,899), and \$3,603,651 of that company's Notes. The New England Navigation Co. has outstanding \$20,000,000 6% Notes, due May 1, 1917, secured by \$40,000,000 stock of the Connecticut Co., \$5,812,400 stock of the New England Steamship Co. and other stocks and bonds of subsidiaries (total par value of collateral \$76,863,100). The Old Colony R. R. and the Norwich & Worcester R. R. (both leased lines) held as of *June 30, 1915*, respectively, \$3,600,000 and \$675,000 New England Navigation Co. bonds.

The New England Navigation is a holding company formed primarily to acquire the securities of the ship lines affiliated with the "New Haven." The stocks of the Connecticut Co. and the Housatonic Power Co. have also been acquired. As of June 30, 1916, the New England Navigation Co. held among its securities (pledged and unpledged), the following stocks, bonds, etc. (par value of all investments, \$80,644,000; book value \$76,269,264; of which \$6,086,127 book value unpledged):

	Par Value	Book Value
Connecticut Co. (see a following paragraph)	\$40,000,000	\$40,000,000
New England Steamship Co. (pfd and com.)	5,812,400	3,100,000
*Eastern Steamship Co. (pfd. and com.)..	2,000,000	1,762,500
* " " " (bonds 5%)	2,500,000	2,437,500
New England Steamship Co. (bonds 5%)..	9,000,000	9,000,000
New England Investment & Security Co. Notes	13,709,000	13,631,750
Hartford & N. Y. Transportation Co. (stock)	2,500,000	2,538,917
Housatonic Power Co. stock (see a following paragraph)	‡2,000,000	1,990,652

*\$1,000,000 bonds and \$500,000 common stock sold since July 1, 1916; balance, exchanged for securities of reorganized company;

these securities must be sold by order of the Court on or before July 1, 1917. †Capitalization reduced from \$3,000,000 during 1915-16.

For the year 1915-16 the New England Navigation Co. reported the following earnings:

	1915-16		
Gross Income (from investments).	\$1,662,174	increase	\$ 257,305
Deductions from Income	1,700,517	decrease	17,272
Net Income	*38,343	increase	274,578

*The deficit for 1914-15 was \$312,920 as compared with a surplus of \$1,377,455 for 1913-14.

No dividend was paid on this company's stock in 1915-16 and 1914-15, as compared with \$1,358,651 paid in 1913-14, and \$1,850,000 paid in 1912-13. There was a debit balance to Profit and Loss as of June 30, 1916, of \$1,131,536.

(A) NEW ENGLAND STEAMSHIP CO.

This subsidiary of the New England Navigation Co. operates various steamship lines among which are the "Fall River Line," "Providence Line," "New Bedford Line," "Norwich Line," etc. The Gross Earnings of this company for the year ending June 30, 1916, were \$5,548,979; Net Earnings were \$911,303 and Surplus, \$83,710 (an increase of \$53,187). Profit and Loss account as of June 30, 1916, showed a debit balance of \$1,127,692.

(B) HARTFORD & NEW YORK TRANSPORTATION CO.

This subsidiary of the New England Navigation Co. operates the "Hartford Line," and the "Bay State Line" of steamships (New York to Hartford, Conn. and New York to Providence R. I.) Gross Revenue for 1915-16 was \$1,237,182 and Surplus \$180,383. A dividend of \$100,000 (4%), was paid as compared with a dividend of \$75,000 in 1914-15, \$37,500 in 1913-14 and \$75,000 in 1912-13.

(C) CONNECTICUT CO.

This company operates the various street railway lines in Connecticut controlled by the New Haven. As of June 30, 1916, 714 miles were operated of which 414 miles were owned; 291 miles leased and 10 miles trackage. Among the cities served are New Haven, Hartford, Bridgeport, Waterbury, New Britain, Meriden, Middletown, etc. The \$40,000,000 stock of this company owned by the New England Navigation Co. is in the hands of Federal Trustees, who under decree of the Court shall endeavor to sell said stock prior to July 1, 1919. Gross Revenues of the Connecticut Co. for 1915-16 were \$8,947,974 and the Surplus was \$1,954,674. A dividend of 1½% was paid as compared with 1% in 1914-15, 2¾% in 1913-14 and 3¾% in 1912-13. The credit to Profit and Loss as of June 30, 1916, \$2,129,366.

(D) HOUSATONIC POWER CO.

This company (owned by the New England Navigation Co.), owns valuable water power privileges on the Connecticut River. Operations for 1915-16 resulted in a surplus of \$117,321 (1914-15, deficit, \$25,311). During 1915-16 this company disposed of 23,331 shares of the Waterbury Gas Co. for \$1,084,812, and other shares and notes for \$142,500. These funds were used to reduce outstanding notes held by the New Haven and by the public.

IV.

BERKSHIRE STREET RAILWAY.

This company, the entire \$5,398,100 stock of which is owned by the "New Haven" (carried at a book value of \$6,371,396), operated (June 30, 1916), 149 miles of street railway lines mostly located in western Massachusetts. By decree of the Court this stock must be sold prior to July 1, 1919. The New Haven also held on June 30, 1916, \$200,000 Debentures and \$3,309,760 6% Notes of the Berkshire St. Ry. The deficit from the operations of this company for 1915-16 amounted to \$87,056 as compared with a deficit of \$118,094 in 1914-15. There was a debit balance to Profit and Loss (June 30, 1916), of \$462,372.

V.

CENTRAL NEW ENGLAND RY.

This railway company operates approximately 301 miles of railway (Campbell Hall, N. Y. *via* Poughkeepsie Bridge to Hartford, Conn., etc.). The New Haven owns \$3,737,083 preferred and \$4,795,054 common, respectively of the total outstanding \$3,750,000 (4%) preferred stock and \$4,800,000 common stock. \$1,505,608 bonds and scrip are also owned. The "New Haven" guarantees principal and interest \$13,427,000 4% bonds (\$25,000,000 authorized), due 1961, of the Central New England Ry. The Central New England Ry. stock owned by the New Haven is carried at a book value of \$1,921,728.

The Income Account for the year ending June 30, 1916, showed the following results: Operating Revenues, \$4,870,932; Net Revenues, \$2,233,427; Surplus after charges, \$978,415. A dividend of \$320,808 was paid April 15, 1916, in 1914-15, \$320,808, and in 1913-14, \$149,888 were paid in dividends. Profit and loss surplus June 30, 1916, \$1,363,946.

VI.

NEW YORK, ONTARIO & WESTERN RY.

The "New Haven" owned as of June 30, 1916, \$29,162,200 (50.2%) stock of the New York, Ontario & Western Ry. This stock was acquired at a cost of \$13,108,398. (See that company).

VII.

NEW YORK, WESTCHESTER & BOSTON RY.

As of June 30, 1916, the "New Haven" owned \$4,924,937 stock (98.4%) of this company, carried at a book value of \$6,241,952.

The New York, Westchester & Boston Ry. operates about 22 miles of road extending from New York to Larchmont Jc. and White Plains. The entire line is fenced in private right of way and there are no grade crossings. A large proportion of the line was placed in operation in August, 1912. The line is to be extended to Port Chester, N. Y.

The New York, Westchester & Boston Ry. has authorized \$60,000,000 bonds, due 1946. \$21,390,000 of these bonds, bearing interest at the rate of 4½% per annum, have been issued largely to the New Haven in exchange for the old bonds held by that company. The New Haven guarantees these bonds both as to principal and interest. The New Haven owns \$2,190,000 of these bonds, having sold the balance. The New Haven also owns \$5,462,888 book value Notes of the New York, Westchester & Boston Ry. and has also made \$3,727,325 advances to the latter. These advances are carried at a book value of \$1. The balance sheet of the New York, Westchester & Boston Ry. as of June 30, 1916, showed that there existed a large floating debt.

The Income Accounts of the New York, Westchester & Boston Ry. for 1915-16, 1914-15 and 1913-14 showed the following results:

	1915-16	1914-15	1913-14
Operating Revenues	\$513,325	\$449,879	\$400,680
Operating Deficit after Taxes.....	45,430	44,684	159,206
Other Income	52,753	19,348	30,154
Fixed Charges	1,523,396	1,424,363	1,369,056
Deficit	1,516,073	1,449,698	1,498,105

The New York, Westchester & Boston R. R.'s balance sheet showed at June 30, 1916, a debit balance to Profit and Loss amounting to \$5,795,234.

VIII.

NEW YORK CONNECTING R. R.

See Pennsylvania R R. for description of this important line which is being constructed to connect the New Haven with the Long Island R. R. and the Pennsylvania R. R. The \$3,000,000 stock of the New York Connecting R. R. is held one-half by the New Haven and one-half by the Pennsylvania R. R.; these latter companies guaranteeing the outstanding \$24,000,000 (\$30,000,000 authorized) 4½% bonds, due 1963, of that company. It is expected that the new line will be completed in 1917.

IX.

RUTLAND R. R.

During 1910-11 the New Haven acquired from the "New York Central" one-half of its holdings of preferred stock of the Rutland R. R. (\$2,352,050 of \$4,704,100). The New Haven has obtained permission from the Public Service Commission of New York State, to purchase the remainder of the New York Central's holdings. An injunction was, however, obtained by minority stockholders restraining the transfer. The Rutland R. R. stock held by the New Haven is carried at a book value of \$2,364,977 (\$100.51 per share).

X.

OTHER INVESTMENTS.

Among other investments of the New Haven and its subsidiaries not hitherto mentioned are the following:

	Par Value	Book Value
*†Old Colony R. R. Stock.....	\$9,813,200	\$13,065,342
†Boston & Providence R. R.....	524,600	1,582,443
Westchester St. Ry. Stock.....	700,000	905,784
Harlem River & Port Chester R. R. Stock...	1,000,000	1,000,000
†Harlem River & Port Chester R. R.		
5% Bonds	13,000,000	13,000,000
Harlem River & Port Chester R. R. Notes...	15,000,000	.....
†Providence & Worcester R. R. Stock.....	955,100	2,738,763
Vermont Co. Stock	650,000	571,164

*A dividend of 7% per annum is guaranteed on this stock by the New Haven. Total stock outstanding June 30, 1916, \$22,294,000.

†Pledged as collateral for Notes.

Formerly a large proportion of the outstanding securities of the Merchants & Miners Transportation Co. was held by the New Haven. - These securities were disposed of in 1914, and the loss resulting from the sale, \$3,594,500, debited to Profit and Loss.

Regarding the future sale of properties which are to be disposed of by order of the Court we quote from the remarks of the President of the "New Haven" in the annual report for 1914-15.

"Unless industrial and general conditions change so as to restore the value and earning power of all transportation agencies the company will without doubt suffer considerable losses from the sale of those properties which the United States District Court has ordered sold. Whether these losses will be so great as to impair the capital stock of the company cannot be determined until sales of the various pieces of property have been made and until the valuation now being made by the Interstate Commerce Commission is completed. The directors therefore have thought it was not wise to make any general charges to Profit and Loss at this time, but

simply to state that there may be large losses which may be offset all or in part by a proper valuation of the property."

FINANCES—FLOATING DEBT.

On June 30, 1915, the floating debt of "New Haven" in the hands of the public was \$50,139,000, including \$20,000,000 6% Secured Gold Notes of The New England Navigation Co., due May 1, 1917, for which the New Haven, as the only stockholder, must be responsible and \$27,000,000 One-year 6% Secured Gold Notes of the New Haven, due May 1, 1916. Prior to June 30, 1916, this floating debt was reduced to \$44,312,000. The \$27,000,000 6% Notes which matured May 1, 1916, were paid off with the proceeds of \$25,000,000 4½% Notes due May 1, 1917, and \$2,000,000 cash. The 4½% loan cost the company, with interest, discount, etc., 4⅞% as compared with 7¼% for the 6% loan.

The amount paid for interest and discount on short term paper, including The New England Navigation Co. and The Harlem River & Port Chester R. R. for the last three years has been:

For the year ending June 30, 1914.....	\$4,483,366
For the year ending June 30, 1915.....	3,662,051
For the year ending June 30, 1916.....	2,862,139

In May, 1915, the Massachusetts Legislature, and later the New York, Rhode Island and Connecticut Legislatures, passed bills permitting the New Haven to make a mortgage covering the entire property and placing a first lien on the main line and to issue bonds to fund the outstanding Notes of the company. Also to issue preferred stock when desired.

CURRENT ASSETS AND LIABILITIES.

(NEW HAVEN PROPER.)

As of June 30, 1916, Current Assets (including \$6,811,462 materials and supplies), totaled \$24,882,166. Current Liabilities (not including \$25,007,000 Loans and Bills Payable), amounted to \$13,515,728.

MISCELLANEOUS.

Owned and leased track operated (excluding sidings), as of June 30, 1916, was laid with rail of the various weights per yard as follows:

1 mile of 141-pound steel,	688 miles of 78- and 79-pound steel,
123 miles of 107-pound steel,	187 miles of 74- and 75-pound steel,
927 miles of 100-pound steel,	183 miles of 70- and 72-pound steel,
167 miles of 90-pound steel,	189 miles of 60- to 68-pound steel,
478 miles of 80-pound steel,	34 miles of 56-pound and lighter steel.

The annual report of the New Haven for 1915-16 states that the company has spent for additions and betterments, Grand Central Terminal Buildings, etc., during 1915-16 and 1914-15 a total of

\$7,255,878. The report states that a sum of at least \$27,860,000 must be spent in the near future (including \$3,860,000 chargeable to operating expenses), for improvements, equipment, etc.

As of June 30, 1915, the stock of the New Haven was held as follows:

	Total Stockholders	Total Shares
Massachusetts	12,250	567,878
Connecticut	5,578	250,939
New York	4,271	531,202
Rhode Island	814	41,668
Miscellaneous	3,604	179,492
	<hr/> 26,517	<hr/> 1,571,179

RUTLAND R. R.

See Table, page 63.

In July, 1903, dividends were suspended that all surplus earnings might be applied to improvements. Dividends were resumed in 1906 by the payment of 1½%. An equal dividend was paid in 1907 and in 1908. No dividends have since been paid.

The accumulated dividends on the preferred stock were said to aggregate 235% to January, 1917.

In 1905, control of this road passed to the New York Central & Hudson River R. R., the latter having acquired a majority (\$4,704,100) of the preferred stock. In 1911, one-half of this stock was sold to the New York, New Haven & Hartford R. R., and in December, 1911, the latter company requested and later received permission of the Public Service Commission of New York State to purchase the balance of the holdings of the N.Y.C. & H.R.R.R., and also additional shares. The minority stockholders opposed this transfer and brought suit to restrain same. The Court in December, 1915, dismissed the suit. The New Haven has, however, withdrawn its offer.

Practically all of the common stock has been exchanged for preferred on the basis of ten shares of common for one share of preferred.

\$103,200 preferred stock. \$500 common stock and company's bonds to the amount of \$528,700 were in the treasury on December 31, 1914. Other stocks owned included \$1,000,000 Rutland Transit Co. common stock (entire issue). This latter company owned until 1915 a line of six steamships operating on the St. Lawrence River and the Great Lakes. These steamers were sold by order of the Government in 1915.

In 1901 the shareholders subscribed for new preferred stock to the amount of \$3,578,400, at \$90 per share. From the surplus of 1903-4, \$103,043 was appropriated to meet the cost of improvement

work. In 1905, there was expended for improvements and charged to expenses, the sum of \$77,717. Included in operating expenses during 1907 were \$125,666 extraordinary expenditures, in 1908, \$55,605, and in 1909, \$114,057.

The entire surplus earnings for 1908 and 1909 (\$273,495) were credited to "Appropriated Surplus," from which there was expended \$264,323 for equipment and for improvements.

From the surplus of 1910, 1911, 1912, 1913 and 1914 there were expended the sums of \$21,029, \$73,858, \$21,961, \$35,199 and \$35,284, respectively, for additions and betterments, and the sums of \$270,000, \$239,300, \$268,985, \$235,208 and \$168,725, respectively, were appropriated for improvements. In 1915, \$39,274 was appropriated for additions and betterments.

On December 31, 1915, Current Assets amounted to \$1,183,498 and Current Liabilities amounted to \$835,278.

ST. JOHNSBURY & LAKE CHAMPLAIN R. R.

See Table, page 64.

The majority of the stock (\$1,927,300 common and preferred carried at a valuation of \$360,470) of this road is owned by the Boston & Lowell R. R., which company is leased to the Boston & Maine R. R. and additional stock (\$22,750 common and \$20,750 preferred, carried at a valuation of \$4,517) is owned by the Boston & Maine R. R. No dividends are being paid.

The Boston & Maine R. R. guarantees the interest on \$1,328,000 of the \$2,500,000 First Mortgage 5% bonds outstanding. The remaining \$1,172,000 bonds are held by the Boston & Lowell R. R. (\$740,000), and the Boston & Maine R. R. (\$432,000), and the interest on these bonds has never been paid.

On January 1, 1912, the Maine Central R. R. leased from this company 28 miles, including 23 miles from the Connecticut River, St. Lunenburg, Vt., to St. Johnsbury, the annual rental being \$20,000 and taxes.

The debit balance to Profit and Loss on June 30, 1916, amounted to \$2,367,894.

BALTIMORE & OHIO R. R.

See Table, page 65.

The preferred stock is limited to non-cumulative dividends at the rate of 4% per annum. The preferred and common stocks are receiving 4% and 5%, respectively, per annum, the dividends being payable in March and September. From September, 1906, to March, 1914, inclusive, the dividend rate on the common stock was 6% per annum. Prior to September, 1906, the rate was 5% per annum, and prior to September, 1905, the rate was 4% per annum.

OWNERSHIP OF STOCK.

On June 30, 1913, the Union Pacific R. R. owned \$7,206,400 preferred stock and \$32,334,200 common stock of the Baltimore & Ohio

R. R., this stock having been purchased from the Pennsylvania R. R. in September, 1906, at 92½ for the preferred and 120 for the common. The Pennsylvania R. R. retained a large stock interest in the Baltimore & Ohio R. R. On December 31, 1912, the Pennsylvania Lines owned \$21,273,600 preferred and \$21,273,600 common stock of the Baltimore & Ohio R. R., which stock in July, 1913, was acquired by the Union Pacific R. R. in exchange for Southern Pacific Co. stock. The Union Pacific R. R. (see that company) on July 12, 1914, distributed among its stockholders as a special dividend the Baltimore & Ohio R. R. stock, consisting of \$50,013,765 common and \$26,674,008 preferred.

SECURITIES OWNED.

On June 30, 1916, the Baltimore & Ohio R. R. owned \$6,065,000 first preferred, \$14,265,000 second preferred, and \$10,002,500 common stock of the Reading Co. This stock was acquired in 1901, in which year the market price of Reading Co. common stock ranged from 24½% to 58%. These three classes of stock were \$12.25 to \$29 a share carried on the books of the Baltimore & Ohio R. R. as of June 30, 1915, at a book value of about \$44, \$38.50 and \$27.75 of par \$50. In 1916, the New York Central R. R. held in its treasury approximately a like amount of each of the above Reading Co. securities. On June 30, 1904, the Baltimore & Ohio R. R. held \$3,950,000 additional Reading Co. common stock, but this amount was sold during 1904-5.

On June 30, 1916, the Baltimore & Ohio R. R. owned stocks of a total par value of \$38,668,212, carried at a book value of \$26,643,329, and bonds of a total face value of \$7,248,450, carried at \$6,076,973. These totals do not include stocks and bonds of other companies deposited with Trustees of Mortgages securing Mortgage Debt, including the \$1,050,000 stock of the Staten Island Ry., \$8,000,000 (entire issue) stock of the Baltimore & Ohio Chicago Terminal R. R., and \$32,000,000 of the latter company's 4% bonds). These companies, as well as the Staten Island Rapid Transit Ry., are operated separately.

The appropriations from surplus earnings for additions and improvements during the past seventeen years have been as follows:

Year 1899-0.....	\$2,540,230	Year 1905-6.....	\$4,066,038
Year 1900-1.....	2,740,932	Year 1906-7.....	4,099,981
Year 1901-2.....	2,765,194	Year 1907-8.....	265,950
Year 1902-3.....	4,073,000	Year 1908-9.....	546,048
Year 1903-4.....	2,408,650	Year 1909-10.....	415,761
Year 1904-5.....	2,979,454	Years 1910-11 to '15-'16	None

COMMON STOCK ISSUED AT PAR.

In 1901, \$15,000,000 convertible 4% debentures were issued. All have been converted into common stock. In addition to the common stock issued in exchange for these debentures, the following amounts of common stock have been sold at par to stock-

holders: 1901, \$22,537,200; 1902, \$42,316,860; 1906, \$27,750,000; thus a total of over \$107,000,000 common stock has been issued for an equivalent amount in cash. The proceeds from the sales of stock have been used for the most part for improvements and the purchase of equipment.

CONVERTIBLE BOND ISSUE.

The Baltimore & Ohio R. R. authorized in January, 1913, an issue of \$63,250,000 4½% twenty-year Convertible Gold bonds dated March 1, 1913, and convertible into common stock until March 1, 1923, at \$110 a share. Holders of preferred and common stock of record January 24, 1913, subscribed for these bonds at 95½ and interest to the extent of 30% of their holdings. A large portion of the proceeds of this bond issue was used to retire \$60,000,000 Short Term Notes.

CINCINNATI, HAMILTON & DAYTON RY.

Negotiations were made effective 1909, whereby the Baltimore & Ohio R. R. would acquire on July 1, 1916, at a price then to be agreed upon or determined by arbitration, the controlling stock of the Cincinnati, Hamilton & Dayton Ry. In this connection a plan was effected for adjustment of future interest charges and the payment or adjustment of the floating debt of the Cincinnati, Hamilton & Dayton Ry., and providing approximately \$7,000,000 for improvements and working capital. Under this plan the B. & O. R. R. guaranteed \$12,500,000 of the Cincinnati, Hamilton & Dayton Ry.'s First and Refunding Mortgage 4% 50-year bonds, dated July 1, 1909 (\$9,177,000 in hands of the public), and \$11,557,000 of that Company's 4% Notes, due July 1, 1913 (taken up at maturity by the Baltimore & Ohio R. R.), secured by a deposit of \$13,000,000 of the First and Refunding bonds. On July 2, 1914, Receivers were appointed for the Cincinnati, Hamilton & Dayton Ry. (which see).

REORGANIZATION OF C. H. & D. RY.

The Baltimore & Ohio R. R. has united in a Plan and Agreement of Reorganization, dated February 15, 1916 under which it is proposed that The Baltimore & Ohio R. R. shall acquire all the securities to be issued by the New Railroad Company which is to be organized to acquire the interest of the present Cincinnati, Hamilton & Dayton Ry. in the main line between Cincinnati and Toledo, certain main line branches and the line from Dayton to Wellston, comprising approximately 400 miles of road, being the more important part of the original C., H. & D. Ry. and that portion which can be operated to best advantage as part of the Baltimore & Ohio System.

The Plan provides that the Baltimore & Ohio R. R. will issue, to be distributed in exchange for the existing securities provided for under the Plan and for other purposes of the reorganization,

its own direct obligations, to be known as its Toledo-Cincinnati Division Bonds, to be secured by the pledge of all the Refunding Mortgage bonds to be issued by the New Company. The bonds to be issued in exchange for the existing securities are to mature in 1959, are to bear interest at the rate of 4% per annum and are to be redeemable on any semi-annual interest date, in whole or in part, at 102½% of their face value and accrued interest. The total authorized issue is not to exceed \$35,000,000.

The above properties are to be acquired subject to guaranteed stocks and bonds, which are to remain undisturbed, aggregating\$11,336,200

And there will be presently issued of The Baltimore & Ohio R., Toledo-Cincinnati Division Bonds referred to, in exchange for existing securities for which provision is made under the Plan, not to exceed\$11,250,450

And there will also be presently issued to provide the cash requirements under the Plan, including the retirement of Equipment Trust Notes, and the purchase of new equipment 5,000,000 16,250,450

Making a total of guaranteed stocks and funded debt outstanding and to be issued to the public, not to exceed\$27,586,650

The Toledo-Cincinnati Division Bonds not presently issued (viz.: \$18,749,550) are to be reserved to retire at maturity, or earlier, the bonds which are to remain undisturbed under the Plan, for the acquisition of underlying securities and for capital expenditures for equipment, additions and betterments and additional property.

The Plan further provides for the surrender by The Baltimore & Ohio R. R. of the obligations held by it of the old Company, aggregating \$22,695,143, together with the collateral securing the same, excepting certain collateral of the estimated value of \$3,368,000, which is to be retained, and for the payment by The Baltimore & Ohio R. R. of such an amount in cash as may be required to pay \$700.86 for each of the General Mortgage Bonds of 1939 of the Cincinnati, Hamilton & Dayton Ry., which may become subject to the Plan, and for the delivery to The Baltimore & Ohio R. R. (1) of the entire capital stock of the New Company, and (2) of the Adjustment and Improvement Mortgage Bonds of the New Company to an amount approved by the Reorganization Managers, and now proposed to be\$20,000,000

As a part of the Plan of Reorganization arrangement is made for the purchase by the Reorganization Managers of the C., H. & D. Ry. General Mortgage Bonds at the rate of \$700.86 per \$1,000 bond. Upon the recommendation of the Committee representing these bonds, the holders of 90% of them accepted prior to November, 1916, the terms provided in the Plan.

It is stated that the net ultimate investment of the Baltimore & Ohio R. R. in the C., H. & D. Ry. will approximate \$35,892,000 and that the securities of the New Company received by the B & O. R. R. will be valued at \$25,000,000. In 1915-16 the cost of the investment was restated on the books of the Company and Profit and Loss was charged \$10,892,000, representing the difference between the net ultimate investment of the B. & O. R. R. and the estimated value of the securities to be received as per Plan of Reorganization.

GENERAL.

See notes of the Baltimore & Ohio Chicago Terminal R. R. for full information regarding the purchase of this company by the Baltimore & Ohio R. R.

The Baltimore & Ohio Chicago Terminal R. R. made a mortgage dated April 1, 1910, to secure an authorized issue of \$50,000,000 First Mortgage 4% bonds, due April 1, 1960, guaranteed by the B. & O. R. R. Of the \$33,000,000 of these immediately issuable, the Baltimore & Ohio R. R. had to June 30, 1916, acquired \$32,000,000, the remainder being held in the treasury of the Terminal Co.

Under date of July 1, 1913, \$20,000,000 5% One-Year Notes were sold to retire \$11,557,000 Cincinnati, Hamilton & Dayton Ry. 4% Notes and for other purposes. At maturity these (B. & O.) Notes were retired with part of the proceeds of \$35,000,000 One-Year 4½% Notes. The latter issue of Notes matured June 1, 1915, under which date \$20,000,000 4½% Notes, due June 1, 1917, and \$20,000,000 4¼% Secured Notes, due June 1, 1918, were issued. The stockholders on November 16, 1914, authorized a General Refunding Mortgage, covering the entire system and subsidiary lines, to secure not exceeding \$600,000,000 bonds (unless stockholders should later consent to a larger issue). In December, 1915, \$60,000,000 of these bonds, bearing interest at the rate of 5% per annum, and maturing 1995, were sold. \$40,000,000 of the proceeds derived from the sale of these bonds was used to retire the Notes due 1917 and 1918.

On June 30, 1916, Current Assets, including \$10,613,935 materials and supplies, exceeded Current Liabilities by \$18,178,893. Current Assets included \$17,475,668 cash. There was a credit balance to Profit and Loss of \$27,641,420, a decrease of \$8,955,050 compared with 1914-15.

Of the total tonnage carried in 1915-16, bituminous coal contributed about 42½% against 46% in 1914-15.

There were located along this company's lines in 1915-16, 231 new industries.

A comparative table follows of weight of rail in main track (not including trackage) June 30, 1916, as compared with June 30, 1907:

	1916	1907
100-pound rail (and over) ..	1,637 miles	435 miles
90- " "	1,144 "	0 "
85- " "	1,895 "	3,632 "
80- " "	44 "	67 "
75- " "	346 "	258 "
68½ and 70-lb. rail	57 "	86 "
67-lb. and lighter rail	668 "	1,180 "

The average weight of rail as of June 30, 1916, was 87.0 pounds as compared with 80.8 pounds as of June 30, 1907.

On December 6, 1914, the Baltimore & Ohio R. R. completed the construction of one track of a double track line and relocation of parts of the old line between Okonoke and Orleans Road, W. Va., known as the Magnolia Cut-off. With the use of this improvement which has shortened the line 5.78 miles, it has been possible to increase the east-bound slow freight train load 36.36%. The freight traffic density on this section of the line is the greatest throughout the entire system, at times exceeding 24,000,-000 ton miles per mile of road per annum.

BALTIMORE & OHIO CHICAGO TERMINAL R. R.

See Table, page 66.

This is the successor company to the Chicago Terminal Transfer R. R.

The Baltimore & Ohio R. R., in January, 1909, purchased a large block of preferred stock of the Chicago Terminal Transfer R. R. at \$20 per share. In October, 1909, full stock control was acquired by purchase of additional preferred and common stock from the Chicago, Burlington & Quincy R. R.

On January 6, 1910, the Baltimore & Ohio R. R. purchased at foreclosure sale all of the property and franchises formerly owned by the Chicago Terminal Transfer R. R., which consist of a large railway mileage, passenger and freight terminal facilities, docks and other properties in Chicago.

The Baltimore & Ohio Chicago Terminal R. R. issued \$8,-000,000 stock all of which is owned by the Baltimore & Ohio R. R. and authorized an issue of \$50,000,000 First Mortgage 4% bonds, due April 1, 1960, guaranteed by the B. & O. R. R. Of the \$35,000,000 of these immediately issuable, the Baltimore & Ohio R. R. had acquired to June 30, 1916, \$32,000,000, the remainder being held in the treasury of the Terminal Co.

The terminal properties of the Baltimore & Ohio Chicago Terminal R. R. are used by the following companies as tenants: Pere

Marquette R. R., Minneapolis, St. Paul & Sault Ste. Marie Ry., Chicago Great Western R. R., Suburban R. R., Chicago, Terre Haute & South Eastern Ry. and Chicago, Hammond & Western Ry.

BUFFALO & SUSQUEHANNA R. R. CORPORATION.

See Table, page 67.

This company was incorporated December, 1913, to take over under foreclosure sale the property formerly operated by the Buffalo & Susquehanna R. R. The acquisition of the property followed a sale of it under the foreclosure of the mortgage securing the First Refunding Mortgage 4% bonds of the Buffalo & Susquehanna R. R., and the Buffalo & Susquehanna R. R. Corporation received the property owned by the old company free from any mortgage debt.

For several years the Buffalo and Susquehanna R. R., the predecessors of this Corporation, had operated its railroad and had met its obligations; but in 1907, there went into effect a lease covering all its physical property, assets and income, to the Buffalo & Susquehanna Ry., which had built 86 miles of railway from Wellsville to Bladell, N. Y., to extend the line to Buffalo. The lessee company had incurred a very heavy debt at the time of taking over the property under the lease.

The Railway found itself unable to meet its obligations, and first defaulted on its bonds, and then in the payment of the rent due for the use of the Railroad, while taking all the income from the Railroad property. This rental was needed by the Railroad to pay its fixed charges, and the failure to receive it resulted in a default on the coupon of the Railroad bonds maturing July 1, 1910. A receivership followed, under which the property was operated until delivered to the Buffalo & Susquehanna R. R. Corporation December 31, 1913.

During the receivership it was demonstrated what might be expected from the property, and on that experience the capitalization of the new company was based. The stock and bonds issued were as follows:

Common Stock (Par \$100—voting trust).....	\$3,000,000
Preferred Stock (4% cumulative—voting trust)	*4,000,000
First Mortgage 4% Bonds	†6,959,000
Equipment Trust Obligations, 5%, Assumed.....	738,000

*Semi-annual dividends of 2% each have been paid on the preferred since July, 1915. On August 1, 1916, and October 16, 1916, 1% each was paid on the common stock. On December 30, 1916, 3% was paid.

†Total authorized issue \$10,000,000; interest rate on unissued bonds limited to 5% per annum.

The former Buffalo & Susquehanna R. R. had outstanding prior to the reorganization, \$9,510,000 First Refunding Mortgage 4% bonds, \$4,000,000 preferred stock and \$5,694,000 common stock.

The common stock which was held wholly by the Buffalo & Susquehanna Ry. did not participate in the reorganization. The plan of reorganization was as follows:

	Assessed	Received		
		New Bonds	New Pfd. Stock	New Com. Stock
Securities of former Company.				
Bonds	—	70%	30%	15%
Stock (\$50 par)	10%	10%	20%	30%

The total amount of assessment paid by the holders of the old preferred stock was \$400,000.

Products of Mines (mostly bituminous coal and coke), contributed 79.8% of the total freight tonnage for the year ended Dec. 31, 1915.

On December 10, 1915, the Wellsville & Buffalo R. R. was incorporated with \$850,000 capital stock as successor to the Buffalo & Susquehanna Ry. The new company was authorized to operate its line by either steam, gasoline or electricity. Late in 1916 the operations of this property were abandoned.

The Current Assets of the Buffalo & Susquehanna R. R. Corporation as of December 31, 1915, totalled \$1,267,833. Current Liabilities amounted to \$290,051.

As of December 31, 1915, 68 miles of main track contained 85-pound steel and 169 miles contained 80-pound rail.

BUFFALO, ROCHESTER & PITTSBURGH RY.

See Table, page 68.

The preferred stock is entitled to non-cumulative dividends of 6% per annum. After the common stock has received 6% the two issues share pro rata.

The following dividends have been paid annually since 1904:

	1904-6	1907	1908	1909-10	1911	1912	1913-14	1915	1916
Preferred	6%	6%	6%	6%	6%	6%	6%	6%	6%
Common	6%	5½%	4½%	4%	5%	5½%	6%	4%	5%

The dividend on the common stock was reduced from a 6% to a 4% basis February, 1915. In February, 1916, 2% was paid. In August, 1916, 3% was paid increasing the dividend to a 6% basis.

The dividends are paid semi-annually, February and August. See a subsequent paragraph regarding dividends paid upon the stock of the Mahoning Investment Co.

FORMER OWNERSHIP OF COAL PROPERTIES.

For a number of years the treasury assets included all except directors' shares of the Rochester & Pittsburgh Coal & Iron Co.'s stock (capital \$4,000,000). In 1906-7 this stock was sold to the Mahoning Investment Co., Capital \$4,200,000, the shares of which were distributed in December, 1906, among the holders of the preferred and common stock of the Buffalo, Rochester &

Pittsburgh Ry., in the proportion of 25% of the respective holdings of each stockholder.

IMPROVEMENTS, ETC.

Appropriations from surplus earnings for improvements, construction and equipment, have been made as follows:

Year 1901-2.....	\$583,562	Year 1910-11.....	\$371,500
Year-1902-3.....	950,749	Year 1911-12.....	375,000
Year 1903-4.....	497,389	Year 1912-13.....	448,796
Year 1905-6.....	394,142	Year 1913-14.....	348,352
Year 1906-7.....	308,748	Year 1914-15.....	111,211
Year 1909-10.....	315,000	Year 1915-16.....	*646,594

**\$521,000 of the appropriation for 1915-16 was used to retire equipment bonds, and the balance used to purchase new equipment.*

Prior to July 1, 1908, \$3,500,000 common stock had been sold to stockholders at par and the greater part of the proceeds used to pay for the construction of 63 miles of road.

On May 1, 1907, a new Consolidated Mortgage was created to secure \$35,000,000 50-year 4½% bonds. Of these bonds, \$3,000,000 were issued immediately, \$18,145,000 were reserved for retirement of underlying obligations and the balance reserved for the future wants of the company, to be issued at not exceeding \$1,500,000 per annum. \$9,712,000 of these bonds were outstanding June 30, 1916, and \$1,604,000 were held in the Treasury.

On June 30, 1916, Current Assets exceeded Current Liabilities by \$2,794,034. Included in Current Assets were material and supplies to the value of \$1,333,672.

Product of Mines totalled about 79% of the freight tonnage moved in 1915-16.

In 1915-16 about 63% of the tonnage moved over the Buffalo, Rochester & Pittsburgh Ry. consisted of bituminous coal, against 65% in 1914-15, 63% in 1913-14, 64% in 1912-13, 67% in 1911-12, 68% in 1910-11, 65% each in 1909-10, 1908-9, 1907-8 and 1906-7.

As of June 30, 1916, main and second track contained:

151 miles of 100-pound rail,	23 miles of 85-lb. rail,
489 miles of 90-lb. rail,	114 miles of 80-lb. rail,
9 miles of 71 and 60-pound rail.	

362 miles of sidings contained 80-pound and heavier rail.

CENTRAL R. R. OF NEW JERSEY.

See Table, page 69.

Dividends are paid quarterly beginning February. The dividend rate was increased in February, 1902, to 8% per annum, which rate was paid in 1908-9, but in December, 1909, an extra dividend of 2% was declared. In the years 1910 to 1916 regular quarterly dividends of 2% each were paid. There were also paid in each of these years from profits of the Coal Co. (1910 to June 1915) extra dividends of 2% each in June and December, making

12% paid in each calendar year. The extra dividends for December 1915 and for 1916 were from railway profits.

As of June 30, 1916, the Reading Co. owned \$14,504,000 of the capital stock of the Central R. R. of New Jersey. This stock was acquired in 1901.

COAL PROPERTIES.

The Central R. R. of New Jersey owns practically all the stock of the Lehigh & Wilkes-Barre Coal Co., viz.: \$8,489,650 of \$9,-210,000 outstanding. The stock is carried on the company's books at a cost or book value of approximately \$2,528,000.

The gross earnings of the Lehigh & Wilkes-Barre Coal Co. were for 1915-16, \$18,155,724 against \$16,858,087 in 1914-15; \$18,-444,813 in 1913-14; \$20,628,564 in 1912-13; \$18,742,624 in 1911-12; \$16,879,575 in 1910-11, and \$16,284,969 in 1909-10. The surplus for the year 1915-16, after payment of \$1,197,300 in dividends, was \$1,498,169; \$1,414,555, 1914-15; \$2,146,178, 1913-14; \$3,225,589, 1912-13. Earnings of Coal Department are reported separately.

In December, 1909, an initial semi-annual dividend of 6½% was declared on the Coal Co.'s stock, which rate has been maintained owing to a Decree of the U. S. District Court handed down October 27, 1915, the C. R. R. of N. J. was enjoined from accepting any dividend on the Coal Co. stock. This dividend would have amounted to \$1,103,654 in 1915-16. The sums secured by the C. R. R. of N. J. from these dividends were slightly in excess of the extra dividends declared by the company in 1910, 1911, 1912, 1913 and 1914.

The total bonded debt of the Coal Co. amounted, on June 30, 1915, to \$14,496,000 Consolidated Mortgage 4% serial bonds of an authorized issue of \$20,000,000, guaranteed principal and interest by the Central R. R. of N. J.

GENERAL.

Jointly and severally with the Lehigh Coal & Navigation Co. the C. R. R. of N. J. guarantees principal and interest of \$1,-062,000 General Mortgage 5s (\$2,587,000 outstanding) of the Lehigh & Hudson River Ry. The C. R. R. of N. J. guarantees the \$4,987,000 5s, due 1921, of the American Dock & Improvement Co.

As of June 30, 1916, C. R. R. of N. J. owned among other securities, \$3,000,000 American Dock & Improvement Co.'s stock, \$2,000,000 stock of the New York & Long Branch R. R., \$3,110,000 of its own Equipment bonds, \$1,167,000 C. R. R. of N. J. General Mortgage 5% bonds and \$4,866,000 Reading Co. and the P. & R. Coal & Iron Co. 4% General Mortgage Bonds. \$1,600,000 Lehigh Valley R. R. stock previously owned was sold and the profit derived from the same (fully \$2,000,000) was mostly included in Other Income in the annual report of the company for 1909-10. There were owned a total of \$20,905,091 par value of stocks of various companies carried at a book value of \$14,234,437;

also \$11,431,600 face value of bonds, carried at \$10,972,681. A large part of the stocks were pledged, but the bonds were unpledged.

From the surplus earnings for recent years there have been appropriated for improvements, additions, new equipment and depreciation, the following sums:

Year 1903-4.....	\$1,665,146	Year 1908-9.....	\$2,000,000
Year 1904-5.....	2,697,702	Year 1909-10.....	4,000,000
Year 1905-6.....	3,373,799	Year 1910-11.....	3,000,000
Year 1906-7.....	3,512,062	Year 1911-12.....	2,000,000
Year 1907-8.....	2,000,000	Year 1912-13.....	4,040,467

The amount of stock and bonds of this company outstanding in the hands of the public, June 30, 1916, compares with June 30, 1905, as follows (this does not include bonds and Equipment Certificates in Treasury):

	June 30, 1905	June 30 1916	
Stock	\$27,425,800	\$27,436,800	Increase \$11,000
Bonds	49,128,000	43,924,000	Decrease 5,204,000

The balance sheet as of June 30, 1916, showed Current Assets (including \$2,418,981 material and supplies), \$11,073,191 and Current Liabilities, \$6,489,493. The Profit and Loss Surplus was \$12,775,684. Additional Expenditures on Property through Income and Surplus to an amount of \$26,387,733 were carried on the balance sheet as Corporate Surplus.

CUMBERLAND VALLEY R. R.

See Table, page 70.

The preferred issues and the common are receiving 8% per annum, payable quarterly, beginning January. This rate has been paid since 1885. An extra dividend of 4% was paid on all classes of stock in 1908 and 1909.

This company has no bonded debt other than \$5,420 Equipment Trust Obligations.

During recent years appropriations have been made for betterments or sums have been credited to Reserve for Additions and Betterments, as follows:

Year 1915.....	\$649,991	Year 1910.....	\$543,717
Year 1914.....	520,545	Year 1908.....	719,017
Year 1913.....	424,859	Year 1907.....	842,873
Year 1912.....	445,866	Year 1906.....	820,396
Year 1911.....	302,959	Year 1905.....	709,031

To represent a portion of the surplus income expended in past years for improvements, etc., an extra dividend of \$100 in common stock per \$50 share of stock (all classes) was declared to holders of record December 31, 1909.

Coal and Coke contributed about 67% of the total tonnage carried in 1915.

In December, 1906, the Pennsylvania R. R. offered to exchange three shares of its stock for one share of Cumberland Valley R. R. stock, and to December 31, 1915, had acquired under this offer all excepting \$24,900 par value of the outstanding stock.

As of December 31, 1915, Current Assets amounted to \$1,388,448, while Current Liabilities were \$595,752.

DELAWARE & HUDSON CO.

See Table, page 71.

Dividends are paid quarterly, beginning March. The dividend rate is at present 9%, the rate having been raised in January, 1907, from 7% to 9%. A dividend of 9% (in quarterly payments) has been declared for the calendar year 1917.

From the date of its organization (1826) to December 31, 1916, this company has paid a total of 226 cash dividends aggregating 686% or approximately \$122,350,000.

For years a large amount of betterment and new work has been provided for by charges to expenses, both in the Railroad and Coal Departments.

ISSUES OF NEW SECURITIES DURING RECENT YEARS.

To provide for the payment of maturing bonds, and for other purposes, there was sold to stockholders in 1904, \$7,000,000 of an authorized issue of \$10,000,000 capital stock at \$135 per share.

In 1906, \$7,000,000 6% and \$3,000,000 7% bonds of the Albany & Susquehanna R. R. matured. To provide funds for the retirement of these bonds there were offered at par to stockholders \$10,000,000 Albany & Susquehanna R. R. 3½% bonds convertible at option of holder until April 1, 1916, into capital stock of the Delaware & Hudson Co. at the rate of \$200 in bonds for \$100 in stock. The Albany & Susquehanna R. R. is leased for 150 years from 1870, the rental at that time being 9% yearly on its capital stock. After the above mentioned bonds were refunded, at an annual interest saving to the Delaware & Hudson Co. of an amount equal to about 3½% yearly on the Albany & Susquehanna R. R. stock, the stockholders of the latter company claimed that the benefit resulting from this saving should accrue to their stock. The Court sustained their position. Under this judgment the Delaware & Hudson Co. paid to the Albany & Susquehanna R. R. in 1909 the sum of \$1,350,512 and charged same to Profit and Loss. The Court further ordered the Delaware & Hudson Co. to pay to the Albany & Susquehanna R. R. a further annual rental of \$120,750, so that the yearly dividend rate on the latter company's stock has been increased to 12.45%.

To April 1, 1916, \$3,556,000 Albany & Susquehanna R. R. 3½% bonds had been converted into stock and the bonds were held in the treasury of the Delaware & Hudson Co.

In 1906, \$14,000,000 4% convertible debentures, due June 15, 1916, of the Delaware & Hudson Co. were subscribed for by

stockholders at par. These debentures were exchangeable for stock until June 15, 1912, at the rate of \$200 in debentures for \$100 in stock. \$13,973,000 of these debentures remained unchanged at maturity. They were paid off with part of the proceeds of an issue of 5% Convertible Debenture bonds (see second paragraph following).

In 1908, the stockholders authorized \$50,000,000 First and Re-funding Mortgage 4% bond due 1943. The bonds were subject to call as an entirety only, at 107½ on any interest day beginning May 1, 1918. Of these bonds, \$13,309,000 were sold in 1908; \$7,395,000 were sold in 1909; \$7,000,000 were sold in 1911, and \$4,500,000 in 1914, making \$32,204,000 outstanding January 1, 1917.

\$10,000,000 4½% equipment bonds, due 1922, were sold in July, 1907. \$650,000 must be set aside by the company annually to purchase these bonds or other securities or to purchase new equipment all to be held as security for this issue. Stockholders of record, September 9, 1915, were permitted to subscribe on or before October 6, 1915, to the extent of 34% of their stockholdings, to an issue of \$14,451,000 5% Debenture bonds, due October 1, 1935, and convertible into stock for ten years, beginning October 1, 1917, on the basis of \$1,500 bonds for \$1,000 par value of stock. The proceeds of this Convertible Debenture bond issue, were as stated above, mostly used to retire the \$13,973,000 maturing 4% Debentures. \$5,000,000 7% bonds mature September 1, 1917.

SECURITIES OWNED—FINANCES.

On December 31, 1915, the Delaware & Hudson Co. owned \$27,371,774 par value of stocks and \$5,350,716 par value of bonds of other corporations. The ledger value of these securities was \$23,419,521 and \$5,124,796 respectively.

TRACTION LINES ACQUIRED.

In 1905, a half-interest in the stock of the Schenectady Ry. was purchased; likewise over 99% of the stock of the United Traction Co. of Albany was acquired. The latter company in 1906 acquired most of the stock and bonds of the Hudson Valley Ry., an electric road. The Delaware & Hudson Co. owned on December 31, 1915, \$12,499,600 of the \$12,500,000 stock of the United Traction Co., also controlling interest in various other traction lines. These companies in recent years have paid dividends as follows:

	1910	1911	1912	1913	1914	1915
United Traction Co.	4%	4%	4%	4%	2%	2%
Troy & New England Ry...	4%	4½%	3%	2½%	2½%	%
Schenectady Ry.	6½%	6%	6%	6%	6%	6%
Plattsburgh Traction Co. ..	5%	6%	5%	5%	4%	4%

COAL DEPARTMENTS.

The amount of anthracite coal produced by the Coal Department during 1915 was 8,100,767 tons, of a total of 66,122,062 tons produced in the region during that year. The estimated amount

of mineable coal owned and controlled January 1, 1909, was considerably above 600,000,000 tons. Value of unmined coal owned and controlled as shown among assets (1915) was \$14,272,695.

47% of the total revenue freight tonnage moved in 1915 consisted of anthracite coal, against 44% in 1913, 41% in 1912, 47% in 1911, 44% in 1910, 43% in 1909, 52% in 1908, 49% in 1907. About 57% of the total freight tonnage moved in 1914 consisted of coal and coke.

The earnings of the Coal Mining Department since 1908 have been as follows:

	Gross Earnings	Profit (not including interest on investments)
1909.....	\$16,340,290	\$206,454
1910.....	11,806,888	41,923
1911.....	13,355,014	Loss 24,301
1912.....	13,397,557	230,944
1913.....	16,045,308	801,692
1914.....	15,517,042	640,887
1915.....	15,860,677	776,038

The surplus of \$640,887 for 1915 remained after appropriations of \$800,380 for construction and betterments.

MISCELLANEOUS.

Through stock ownership, the Delaware & Hudson Co. controls the Quebec, Montreal & Southern Ry. (144 miles), the Napier-ville Junction Ry. (28 miles), and the Greenwich & Johnsonville Ry. (32 miles). Following the completion of the construction of about 50 miles additional, the Quebec, Montreal & Southern Ry. will have a mileage of 264 miles with running rights on 16 miles additional. The Delaware & Hudson Co. will then control the shortest line between Quebec and New York, between Montreal and New York, and between Quebec and Montreal.

On March 29, 1915 there was completed a line known as the Wilkes-Barre Connecting R. R. connecting the lines of the Delaware & Hudson Co. with the Pennsylvania R. R. The cost of this railroad to December 31, 1915, was \$2,214,724. The Pennsylvania R. R. will pay one-half of the interest upon obligations of the Wilkes-Barre Connecting R. R.

DELAWARE, LACKAWANNA & WESTERN R. R.

See Table, page 72.

Dividends are paid quarterly, beginning January. Present regular rate, 10% per annum. In December, in each of the last eleven years, an extra dividend of 10% has been paid. (See next paragraph.)

Dividend disbursements from organizations to 1915 amounted to approximately \$151,000,000 in cash and \$23,009,220 in stock. In

addition valuable rights have been given to the stockholders. A total of \$10,569,500 stock of the Lackawanna R. R. of N. J. (see below), was also distributed among the Delaware, Lackawanna & Western R. R. stockholders.

INCREASE IN STOCK.

In July, 1909, special dividends of 15% in stock and 50% in cash were declared by the Railroad Co. and the stockholders were given the right to use one-half of their cash dividend to subscribe at par for \$6,590,700 stock (entire issue) of the Delaware, Lackawanna & Western Coal Co. This company was formed in furtherance of a plan to separate the Railroad's coal business from its transportation business. Prior to the formation of the Coal Co. the Railroad Co. owned directly its anthracite mines (see following). See a following paragraph regarding dividends paid on the stock of the Coal Co.

To provide for this stock dividend of 15% and for the merger of two subsidiary companies, the authorized stock of the Railroad Co. was increased to \$30,277,000. The Railroad Co. issued to its stockholders in 1911, \$10,569,500 stock of the Lackawanna R. R. of N. J. (\$11,000,000 authorized), being an amount equal to 35% of their respective holdings. The Delaware, Lackawanna & Western R. R. guarantees annual dividends of 4% on this stock. This stock was issued in connection with the building of a cut-off (28 miles) from Hopatong, N. J., to near Portland, Pa. The total cost of this cut-off was \$11,065,511.

In 1912, an increase in stock from \$30,277,000 to \$42,277,000 was voted. The \$12,000,000 new stock was offered to the stockholders of record January 4, 1913, at par. The proceeds were used to shorten, by 3.6 miles, that portion of the main line between Scranton, Pa., and Binghamton, N. Y., by the construction of a 40-mile cut-off, Clark's Summit, Pa., to Hallstead, Pa.

GENERAL.

Appropriations from income for general renewals and betterments have been made as follows:

Year 1904.....	\$3,446,719	Year 1910.....	\$2,542,117
Year 1905.....	3,587,486	Year 1911.....	2,200,628
Year 1906.....	5,551,619	Year 1912.....	1,720,698
Year 1907.....	3,820,088	Year 1913.....	1,879,576
Year 1908.....	*2,781,603	Year 1914.....	1,299,286
Year 1909.....	2,099,454	Year 1915.....	1,616,056

**In former years \$1,172,121 of this amount would have been charged to Maintenance of Way.*

\$5,000,000 and \$11,677,000 7% bonds of the Morris & Essex R. R. Co., leased to the Delaware, Lackawanna & Western R. R., matured in 1914 and 1915, respectively. The \$5,000,000 bonds were paid off at maturity. The bonds, due 1915, were purchased by the Delaware, Lackawanna & Western R. R. and are held in

their treasury pending delivery of Morris & Essex R. R. 3½% bonds. \$12,000,000 6% bonds of the New York, Lackawanna & Western R. R. (leased) mature in 1921. The "Lackawanna" itself has no bonds outstanding other than \$320,000 Bangor & Portland Ry. bonds.

The balance sheet as of December 31, 1915, showed Current Assets of \$11,423,302 as against Current Liabilities of \$7,522,846. The credit balance to Profit and Loss on that date amounted to \$39,231,337.

COAL DEPARTMENT.

Earnings of the Coal Department have been reported as follows:

	Total Sales and Earnings	Profit after all Expenditures for Improvements	Sales (tons)
1909.....	\$35,535,813	\$4,628,771	\$10,565,900
1910.....	21,708,054	3,381,262	9,916,837
1911.....	22,506,214	3,490,085	9,891,111
1912.....	21,659,116	3,885,508	9,233,230
1913.....	22,695,996	3,184,686	9,244,763
1914.....	23,949,079	4,357,007	9,427,905
1915.....	22,802,210	*3,443,040	9,113,144

*\$1,906,123 of same appropriated to cover Value in Ground of Coal Produce from Company's Fee Lands (\$2,001,448 in 1914).

The tonnage of anthracite coal moved in 1915 was 9,455,405 tons or 41% of the total tonnage against 43% in 1914, 41% in 1913, 41½% in 1912, 46% in 1911, 46% in 1910 and 50% in 1909.

It has been estimated that the total unmined coal supplies of this company approximate 400,000,000 tons of anthracite.

In conformance with the decree of the Supreme Court that railroads cannot lawfully transport in Inter-State commerce coal owned by themselves, Sales Division of the Coal Department was discontinued August 1, 1909, and a coal selling company (Delaware, Lackawanna & Western Coal Co.), was organized.

For the period from August 1, 1909, to December 31, 1914, the Delaware, Lackawanna & Western Coal Co. reported as follows:

	Coal Sales	Surplus	Dividends
1909 (5 months)	\$16,615,694	\$657,735	\$164,751 (2½%)
1910	38,668,250	1,542,616	659,070 (10%)
1911	39,865,493	1,795,660	659,070 (10%)
1912	39,399,909	2,644,333	659,070 (10%)
1913	38,376,486	2,096,781	1,977,210 (30%)
1914	39,647,591	2,082,206	1,318,140 (20%)

An extra dividend of 50% was paid on this stock July, 1915, making 60% for the calendar year; in July, 1916, 10% extra was paid. The regular dividend on this stock is at the rate of 2½% quarterly.

As previously stated, the Coal Co. has \$6,590,700 stock outstanding.

In December, 1909, the "Lackawanna" sold its holdings in Lehigh Valley R. R. stock amounting to \$1,850,000 par value. The amount realized therefrom above the original cost was \$2,622,739.

In November, 1915, the Delaware, Lackawanna & Western R. R. opened its new 39.6 mile cut-off between Clark's Summit and Hallstead, Pa., which reduces the length of the main line 3.6 miles, and by cutting down grades and curves permits a saving of 20 minutes in the time of passenger trains and an hour in the time of freight trains, besides reducing from five to two the number of engines required to haul heavy freight trains up the grades between Scranton and Binghamton. The cost of the improvement was about \$12,000,000. The Tunkhannock viaduct, which forms a part of this cut-off is 2,375 feet long and 240 feet high. This structure is of concrete and is by far the largest of its kind in the world.

ERIE R. R.

See Table, page 73.

The first preferred and second preferred stocks are limited to non-cumulative dividends of 4% per annum. From January 1, 1901, to June 30, 1907, cash dividends were paid on the first preferred stock to an aggregate amount of 22% and on the second preferred stock to an aggregate amount of 8%; total dividends paid, \$11,816,328. The usual cash dividends were omitted in the autumn of 1907, and instead thereof dividends were declared in scrip, payable 1917. The Public Service Commission forbade the issue of these scrip dividends. No dividends have since been paid. The company has the right to retire the preferred stock at par for cash.

Appropriations for improvements, additions, etc., have been made from income as follows:

Year 1902-3.....	\$2,377,856	Year 1909-10.....	\$737,087
Year 1903-4.....	1,540,320	Year 1910-11.....	1,339,737
Year 1904-5.....	1,360,555	Year 1911-12.....	582,452
Year 1905-6.....	1,926,973	Year 1912-13.....	657,588
Year 1906-7.....	1,642,029	Year 1913-14.....	502,743
Year 1907-8.....	575,804	July to Dec., 1914.....	751,765
Year 1908-9.....	381,927	Year 1915.....	1,383,754

Since the report for 1901-2, the annual reports have not shown the amounts included in expenses for extraordinary improvements. In 1915-16, \$836,068; in the period from July 1, 1913 to December 31, 1914, \$1,164,659 and in 1912-13, \$765,519 appropriations for Sinking Fund were deducted from Surplus. Sinking Fund payments were previously included in Fixed Charges.

EXPENDITURES CHARGED TO CAPITAL.

From December 1, 1895, to December 31, 1914, \$33,221,947 had been expended for improvements and additions, and \$61,650,860 expended for new equipment and charged to capital account.

From December 1, 1895, to December 31, 1915, the Erie R. R. received \$45,844,628 cash from all sources for construction and equipment purposes as follows:

Cash turned over by the Erie Reorganization Committee..	\$4,343,850
Cash from sale of securities turned over by Committee..	2,973,199
Cash for sale of \$5,000,000 Prior Lien Bonds.....	4,539,884
Cash from sale of \$3,000,000 General Lien Bonds.....	2,484,111
Cash from sale of \$21,015,000 Convertible Bonds.....	19,215,000
Partial proceeds from sale of Collateral Gold Notes.....	9,750,000
Cash from other sources.....	2,538,584

Total	\$45,844,623
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From December 1, 1895, to December 31, 1914, the company expending from its current cash for liquidating the Receivership of the N. Y., L. E. & W. R. R. Co. and for construction and equipment purposes the sum of \$39,327,339, for which it is or will be entitled to be reimbursed from the sale of either General Lien bonds or Convertible bonds. On December 31, 1914, the company held pledged as collateral for various issues of Notes \$16,839,000 of the General Lien bonds, which had been turned over by the Trustee. These were part of \$17,000,000 General Lien bonds, reserved by the provisions of the mortgage for construction purposes. The company also held \$10,985,000 Convertible bonds (pledged as collateral for Notes). On December 31, 1915, \$7,781,000 Pennsylvania Collateral Trust bonds were held alive in the sinking fund.

CONVERTIBLE BONDS.

To December 31, 1914, the company had sold all except \$985,000, of \$22,000,000 Series A and B bonds outstanding of an authorized issue of \$50,000,000 4% Convertible 50-year bonds. Of these bonds \$10,000,000 (Series A) were issued in 1903 for improvements and equipment. The bonds of this series were convertible at any time before April 1, 1915, into common stock at \$50 per share. Stockholders of record, October 21, 1905, were offered the right to subscribe pro rata at par for \$12,000,000 (Series B) of this issue. The bonds of the latter series are convertible into common stock at \$60 per share at any time prior to October 1, 1917. The proceeds of these bonds were applied to improvement work. See a later paragraph regarding the issue of \$19,627,130 General Mortgage 4% convertible bonds.

COLLATERAL NOTES.

On April 8, 1911, \$13,984,000 6% of 3-year Notes matured, and on the same date \$12,500,000 Collateral Trust 6% Gold Notes, due April 8, 1914, were issued (see following).

On October 2, 1911, the Erie R. R. issued \$4,550,000 3-year Collateral 5% Notes due October 2, 1914. These notes were issued to retire \$3,000,000 Erie & Jersey R. R. Notes due December 1,

1911, and maturing Notes of the Genesee River R. R. (see a following paragraph).

Under date of April 1, 1912, \$10,000,000 3-year 5% Collateral Notes were sold. At the maturity of these Notes the Erie R. R. issued \$10,000,000 5% one-year Notes due April 1, 1916. These were retired with a portion of the proceeds of an issue of 4% Convertible General Mortgage bonds (see a following paragraph).

At the maturity of the \$12,500,000 6% Notes, April 8, 1914, the Erie R. R. issued \$13,500,000 5½% Notes due April 1, 1917. These Notes which are redeemable at 102 are secured by \$14,839,000 Erie R. R. General Loan 4% bonds, \$985,000 Convertible "B" bonds, \$6,306,000 N. Y., Susquehanna & Western R. R. preferred stock and by \$2,753,800 par value of other securities.

INCREASE IN BONDS FROM 1900.

The increase in the Bonded Debt and Notes outstanding of the Erie R. R. from June 30, 1900, to December 31, 1915, is accounted for as follows:

	Outstanding June 30, 1900	Outstanding Dec. 31, 1915	Increase
Prior Lien 4%	\$32,452,000	\$35,000,000	\$2,548,000
General Lien 4%	32,954,000	*35,885,000	2,931,000
Convertible 4%	None	†21,115,000	21,115,000
Pennsylvania Coll. 4% .	None	‡26,219,000	26,219,000
Short Term Notes	None	23,280,000	23,280,000

Net increase in bonds (approx.)..... \$76,093,000

*Does not include \$16,839,000 bonds owned by the company and pledged against Notes. The Consolidated Prior and the Consolidated General Mortgage bonds have voting power—ten votes for each \$1,000 bond.

†Does not include \$985,000 Series "B" bonds and \$10,000,000 other convertible bonds deposited as part collateral for Notes.

‡Does not include \$7,781,000 bonds in Sinking Fund.

EQUIPMENT TRUSTS.

A large part of the expenditures for New Equipment has been financed by the sale of Equipment Trusts.

Amount of Trusts outstanding on June 30, 1900.....	\$4,652,284.13
New Trusts created during 15½ years to December 31, 1915	44,587,876.00
	<hr/>
	\$49,240,160.13
Aggregate payments made on all Trusts during 15½ years	36,073,177.15

Equipment Trusts outstanding December 31, 1915..... \$13,166,982.98

NOTE.—On June 30, 1896, Equipment Trusts were outstanding to the amount of \$6,032,693.75.

SURPLUS EARNINGS FROM 1900.

After the payment of sinking fund charges (excepting from July 1, 1912, to December 31, 1915), taxes, rentals and all fixed charges, the total Surplus Earnings of the Erie R. R. for the 15½ years to December 31, 1915, were \$61,718,581, and were disposed of as follows:

Surplus Earnings for 15½ years to December 31, 1915..	\$69,954,662
Dividends paid	11,816,328
	<hr/>
Surplus after dividends paid.....	\$58,138,334
Appropriations for Additions and Betterments (also for Sinking Fund Payments since July 1, 1912).....	18,526,836
	<hr/>
Balance	\$39,611,498
\$15,775,000 Equipment Certificates were outstanding November, 1916.	

RECENT FINANCING.

In February, 1915, the Erie R. R. sold \$7,400,000 Erie & Jersey R. R. First Mortgage 6% bonds due July 1, 1955, and \$6,000,000 Genesee River R. R. First Mortgage 6% bonds due July 1, 1957. Each issue of bonds is subject to call as a whole or in part to July 1, 1920, at 110 and thereafter at 115, and each issue established a cumulative sinking fund in 1916. The proceeds from the sale of these bonds were mostly used to retire \$13,050,000 Notes issued to cover cost of construction of the Genesee River and Erie & Jersey cut-offs. The Genesee River R. R. (which has been merged into the Erie R. R. system) operates 32.66 miles of road between Cuba Jc. and Hunts Jc., N. Y., a section of the Erie R. R. main line New York to Chicago. The ruling grade is 0.2% eastbound and 0.3% westbound as compared with grades of 0.8% eastbound and 1.0% westbound on the old main line. The saving of time by use of the Genesee River cut-off is 1 hour and 54 minutes eastbound and 1 hour and 58 minutes westbound. The traffic density of this line (in 1913) was about 5,550,000 ton-miles.

The Erie & Jersey R. R. operates 38.6 miles of road from Highland Mills to Graham, N. Y., practically a water level route. It is double tracked throughout and carries the freight traffic of the New York division.

In June, 1915, a new Refunding and Improvement Mortgage was proposed. Bonds under this mortgage can be issued to an amount equal to three times the amount of stock outstanding. This mortgage was ratified by the stockholders December, 1916.

Under date of January 7, 1916, it was announced that the Erie R. R. proposed to dispose of \$19,627,130 General Mortgage Series D 4% Convertible bonds, secured by the General Mortgage of April 1, 1903, due 1953, and, at the option of the holder, convertible at par into common stock of the company at \$50 per share (i. e., \$200 par

value of stock for \$100 par value of bonds) after April 1, 1918, and before October 1, 1927, and to offer such bonds for subscription at the price of 85% and accrued interest, to the stockholders of all classes and also to the holders of the outstanding General Mortgage Convertible Bonds, Series B, heretofore issued under the General Mortgage.

Each stockholder was offered the right to subscribe for an amount of bonds equal to 10% of his stock holdings. Holders of the Series B bonds were offered the right to subscribe to the extent represented by the stock into which such bonds were convertible, the holder of each \$1,000 bond thus having the rights accruing to $16\frac{2}{3}$ shares of stock.

The plan of the directors was to combine in one series the \$10,000,000 Series C bonds owned by the company (previously referred to) and \$18,000,000 of bonds issuable under the General Mortgage (authorized \$50,000,000) and to confer upon the holders of all such bonds the conversion right above specified.

The proceeds of the \$19,627,130 of bonds offered for subscription as above stated (being bonds received and to be received under the provisions of the General Mortgage in reimbursement of capital expenditures) were to be used (a) \$10,000,000 in retirement of the 5% notes of the Erie R. R. which matured April 1, 1916, (b) about \$2,000,000 to complete the double tracking and grade reduction on a stretch of about 35 miles on the Chicago & Erie Division, and to increase terminal facilities, and (c) to provide in part for the retirement of the company's issue of $5\frac{1}{2}$ % Notes due April 1, 1917. The retirement of that issue of notes will complete the refunding of all of the company's short term debt, which in March, 1914, amounted to \$34,550,000. Interest charges on the convertible bonds sold is at a rate approximating $1\frac{5}{8}$ % per annum less than that heretofore paid on the Notes.

Referring to the sale of these convertible bonds, President Underwood in a letter to stockholders stated the following facts regarding the company:

"Since 1901, the Erie R. R. has expended about \$105,000,000 for additions and betterments, including double-tracking, improvement of grades and alignment, additional tracks and sidings, additional equipment, additions to and improvement of terminals and stations, bridges and other structures, automatic signals and interlocking plants and other safety devices, elimination of grade crossings, and other improvements ordinarily chargeable to capital, and for the more satisfactory and efficient handling of traffic and the increased safety and convenience of the public. Of these expenditures about \$14,400,000 was appropriated, and about \$30,600,000 additional was paid from income, which during these years, amounted to about \$46,750,000 in excess of fixed charges and such dividends as were paid on the preferred shares. The company still holds, in treasury

(subject to pledge), the securities issued to it in part reimbursement for such \$30,600,000 expenditures.

"It is believed that these expenditures have been judiciously made, and they have increased greatly the capacity and operating efficiency of the property. The double tracking and reduction of grades on the lines to Chicago and to Buffalo, and the other capital improvements already made, supplemented by those which the marketing of these convertible bonds will enable it to make, will bring near to completion the most important and essential parts of the general plan, adopted in 1902, in anticipation of the making of its General Mortgage, to enable the company to secure the traffic believed to be available and to permit its handling at a lower cost.

"The physical character of the Erie R. R. at the beginning of the aforesaid period limited its annual gross revenue to about \$40,000,000. These improvements, now nearly completed, will afford a capacity for the handling of traffic sufficient to yield a gross revenue of at least \$100,000,000 per annum.

"The extent to which the capacity of the property has been increased by such expenditures is indicated by the following comparison of its gross revenue from 1902 to 1915. During this period the gross revenue has increased from about \$40,000,000 for the fiscal year ended June 30, 1902, to over \$65,000,000 in 1915 (partly estimated), or about 60%, while during the same period the revenue train mileage increased but slightly over 5%.

"During the period of 12 years ended June 30, 1914, the average annual gross operating revenue was \$52,730,145; gross income after expenses and taxes \$17,444,892; interest, rentals, etc., \$12,569,946, and net income \$4,874,946. (Year 1915 net income \$8,236,041.)

"Due largely to reduction of grades and double tracking, the increase in business during the last 15 years has not been attended with a similar increase in transportation cost. In 1901 it required 13,300,000 freight train miles to move traffic yielding a revenue of \$29,285,000, or \$2.20 revenue per train mile, while in the first ten months of 1915 it required only about 10,343,000 freight train miles to move traffic yielding a revenue of \$40,896,738, or \$3.95 revenue per train mile—an increase of 79.55%. The average number of tons of freight per train has increased from 399.57 in 1901 to 727.17 during the first ten months of this year, and during the same period the cost per ton mile has decreased from 3.92 mills to 3.40 mills.

"While the development of the system has been intensive rather than extensive, and during these years the increase in miles of road has been only 42 miles, the company has nearly doubled its second track mileage, and has materially increased its third and fourth track mileage. The ruling grade against east bound traffic on the Erie Railroad proper between Salamanca and tidewater, a distance of 414 miles, has been reduced to two-tenths of one per cent., which is lower than the ruling grade on east bound traffic on any other

line, between tidewater and the western gateways at Pittsburgh, Buffalo or the Ohio State line. During the past fourteen years the average weight of rail in the main line track has been increased 10% to an average of 91 pounds, and the capacity of the bridges has been increased 31%."

GENERAL.

The balance sheet of December 31, 1915, showed Current Assets \$19,778,005 (including \$4,386,101 materials and supplies and \$9,665,485 cash), and Current Liabilities \$22,764,661. There was a Corporate Surplus of \$51,265,122.

\$26,643,287 or 61.4% of the total operating expenses for 1915 was paid by the company direct to labor, being distributed among 38,782 employees.

The coal tonnage contributed 41½% of the total tonnage transported in 1915, against 44% in 1913-14.

About 24% of the tonnage handled in 1915 consisted of anthracite coal and 18% consisted of bituminous coal.

The Erie R. R. owns practically all of the stock of the New York, Susquehanna & Western R. R. Co. (operated separately).

The average number of tons of coal transported per train and per loaded car, by Grand Divisions during 1915, was as follows:

	Mileage	Tons per Train	Tons per Loaded Car
Erie	1,390	810	24.98
Nypano	598	594	21.94
Chicago & Erie	269	760	23.16
	<hr/> 2,257	<hr/> 733	<hr/> 23.84

FONDA, JOHNSTOWN & GLOVERSVILLE R. R.

See Table, page 74.

The preferred stock of this company (subject to call at 105) is entitled to cumulative dividends at the rate of 6% per annum, and has priority over common stock in case of liquidation. The authorized amount of preferred stock is \$1,000,000, of which \$500,000 was outstanding November, 1916. An initial quarterly dividend of 1½% was paid June 15, 1909, which rate (6% per annum) has since been maintained (quarterly March). Dividends on the company's common stock have been paid as follows (annually in July):

'99 to '01	'02	'03 to '09	'10 to '13
8% yearly	4%	None	2% yearly

No dividends were paid during the years 1914, 1915 and 1916.

An extension (electric) from Johnstown, N. Y., to Little Falls, N. Y., with a branch, St. Johnsville to Canajoharie (total 36 miles), is being constructed by interests allied with this company.

Thirty-two miles of this road are operated by steam, the balance of the mileage by electricity.

The bonds of this company consist of the following issues:

	Due	Authorized	Outstanding
Consolidated Mortgage 6%	1921	\$200,000	\$200,000
1st Consol. Rfd'g Mtge. 4½%...	1947	500,000	500,000
50-year. General Rfd'g 4%.....	1950	800,000	800,000
1st Consol. Rfd'g Gen'l 4½%...	1952	7,000,000	5,150,000
Cayadutta Electric Ry. Mtg. 6%.	1922	350,000	350,000
		<hr/>	<hr/>
		\$9,750,000	\$7,000,000

On June 30, 1916, Current Assets were \$414,729 and Current Liabilities were \$421,825.

LEHIGH & HUDSON RIVER RY.

See Table, page 75.

An initial dividend of 4% was paid on the stock of this company in 1912. In 1913, and in 1914, 4% each was paid. In 1915, 8% was paid, 4% June and 4% December. In June, 1916, 4% regular was paid and 4% extra.

The control of this company is held by the Lehigh Coal & Navigation Co. and by various railroads. Of the \$1,340,000 stock outstanding, \$507,900 is owned by the Lehigh Coal & Navigation Co.; \$163,200 by the Pennsylvania R. R.; \$163,100 by the Lehigh Valley R. R.; \$163,100 by the Erie R. R.; \$163,200 by the Delaware, Lackawanna & Western R. R., and \$163,300 by the Central R. R. of N. J., which last named company, together with the Lehigh Coal & Navigation Co., guarantees principal and interest, \$1,062,000 of the \$2,587,000 General Mortgage 5% bonds, due 1920. The stock owned by the Erie R. R., Pennsylvania R. R., Lehigh Valley R. R. and "Lackawanna" was acquired by these companies in 1904, at a cost of \$76 per share.

In addition to the \$2,587,000 (\$3,000,000 authorized) General Mortgage 5s, there are outstanding \$164,000 Second Mortgage 5s due 1917, and \$400,000 Debenture 4s due 1920 (largely or wholly owned by companies in control).

The main track of the Lehigh & Hudson River Ry. contained on June 30, 1916: 36 miles of 100-pound steel and 39 miles of 80-pound steel.

Working Assets as of June 30, 1916, were \$1,299,964, as against Working Liabilities of \$755,531.

In 1915-16, tons of freight carried one mile were 342,251,727, as against 111,986,219 tons carried one mile in 1907-8 and 45,207,819 tons carried one mile in 1904-5. The total tonnage handled in 1915-16 was 5,121,917, against 905,377 tons handled in 1904-5.

LEHIGH & NEW ENGLAND R. R.

See Table, page 76.

A total of \$5,997,500 of the \$6,000,000 stock of this company is owned by the Lehigh Coal & Navigation Co. On December 31, 1913, an initial semi-annual dividend of 4% was paid. The rate of 8% per annum maintained through 1914-15; in 1915-16 8% regular and 3% extra was paid.

The authorized capital stock has been increased from \$3,000,000 to \$7,500,000, and the amount of stock outstanding from \$1,000,000 to \$6,000,000 (see following). The par value of the stock is \$50.

In 1908, \$7,500,000 General Mortgage 4% bonds due 1953 were authorized, \$3,450,000 to retire underlying bonds and the balance (\$4,050,000) for future requirements. \$2,885,000 of these bonds were outstanding June 30, 1912. During 1912-13 these \$2,885,000 bonds, together with \$529,000 bonds held in the treasury were retired and cancelled, and the mortgage satisfied. To finance the purchase of these bonds \$3,145,000 stock was sold at par.

As of June 30, 1916, the company had outstanding \$1,000,000 First Mortgage 5% bonds due 1945, \$4,000,000 General Mortgage 5% bonds due 1954, and \$2,450,000 4½% Equipment bonds maturing serially to 1931. The General Mortgage bonds referred to are part of an authorized issue of \$15,000,000. The unissued bonds are reserved mostly for extensions, betterments, purchase of securities, etc.

In 1912-13 this company completed a new branch line from Danielsville, Pa., to Tamaqua, Pa. (about 32 miles), connecting with certain of the mines of the Lehigh Coal & Navigation Co. A line from Clyde to Catasqua, Pa., was also constructed. In 1912-13 trackage arrangements were made whereby the Lehigh & New England R. R. uses the tracks of the New York, Susquehanna & Western R. R. from Hainesburg Jc., N. J., near the Pennsylvania State Line to Little Ferry, N. J. (80 miles), giving the former a through line from the coal fields to New York tidewater. Trackage arrangements have also been made with the Erie R. R. whereby trackage rights have been secured from Pine Island Jc., N. Y., to Campbell Hall, N. Y. (17 miles). This affords through connection with points in New England and on the Hudson River.

As of June 30, 1916, Current Assets amounted to \$1,463,546, as against Current Liabilities of \$643,693.

LEHIGH VALLEY R. R.

See Table, page 77.

The following dividends have been paid on both classes of stock since 1904 (no dividends had been paid on the common stock prior to that date since 1893):

	1904	1905	1906	1907 to 1910	1911 to 1916
Preferred	10%	10%	10%	10% yearly	10% yearly
Common	1%	4%	4%	6% yearly	10% yearly

Dividends are paid quarterly beginning January.

An extra dividend of 10% was paid from accumulated surplus February, 1912. Stockholders were given the privilege of subscribing at par for stock of the Lehigh Valley Coal Sales Co. to an amount equal to this dividend received. (See a following paragraph under Coal Department.)

STOCK PREVIOUSLY OWNED BY OTHER COMPANIES.

In 1901 representatives of the Erie R. R., Lackawanna, Central R. R. of N. J., Reading Co., and the Lake Shore & Michigan Southern Ry. entered the directorate of the company. During recent years these holdings have been disposed of by the various railroads mentioned. The companies which owned Lehigh Valley R. R. stock realized large profits from its sale.

BONDS.

In 1903 a General Consolidated Mortgage securing bonds to the amount of \$150,000,000 was created. Bonds to be issued under this mortgage were to provide for the retirement of over \$94,000,000 outstanding fixed obligations of the railroad company and for all reasonable demands of the future for improvements. Provision is made that any amount not exceeding \$25,000,000 in the aggregate may be made convertible into capital stock of the company. On June 30, 1916, there were outstanding in the hands of the public \$47,336,000 General Consolidated Mortgage bonds (\$26,639,000 bearing interest at 4% per annum and \$20,697,000 at 4½% per annum). In addition to the General Consolidated Mortgage bonds in the hands of the public, \$14,000,000 of these bonds, \$13,000,000 at 4% and \$1,000,000 at 4½% were held in the treasury of the company on June 30, 1916.

On June 30, 1916, \$34,302,321 face value of securities were held unpledged in the treasury, of which \$27,676,000 were bonds (mostly company's bonds).

On November 1, 1905, the Lehigh Valley R. R. completed the purchase of the Coxe interests, including Coxe Bros. & Co., Inc., the Delaware, Susquehanna and Schuylkill R. R. (77 miles), and allied water companies. Coxe Bros & Co., Inc., were the largest individual operators in the anthracite field, their annual capacity exceeding 2,000,000 tons. In payment for these properties there were issued \$19,000,000 4% Collateral Trust bonds. These bonds mature at the rate of \$500,000 every six months, the last installment maturing February 1, 1926. These bonds are subject to call as a whole at 102½, or in the order of serial numbers (\$10,000,000 outstanding June 30, 1916, of which \$1,056,000 were in the company's treasury).

The amount of bonds, equipment certificates and guaranteed stocks outstanding in the hands of the public as of June 30, 1916, was \$129,781,669 as against \$130,761,300 June 30, 1909.

CAPITAL STOCK SOLD IN 1910.

In 1910 an increase in the common stock from \$40,334,800 to \$80,000,000 was authorized. \$20,220,550 of this stock was offered to stockholders at par, this being in the proportion of one share of new stock to two shares of old stock. The cash was used to pay off \$6,000,000 7% bonds which matured in September, 1910, for the retirement of other obligations and for additions, betterments, new equipment, corporate purposes, etc. From September 1, 1910, the date on which the stock was issued, to June 30, 1916, the company retired \$20,114,538 bonds, etc., and expended \$36,396,990 for additions, equipment, property, etc. These two amounts represent a total of approximately \$16,808,083 in excess of the proceeds (\$39,703,445) derived from the sale of the above mentioned stock and the \$19,536,545 4½% bonds sold in 1913 and 1916. The \$16,808,083 referred to was expended from Current Funds of the company.

COAL DEPARTMENT.

In 1915-16, coal and coke traffic contributed about 39.7% of the gross earnings and 52.6% of the total tonnage carried.

The Lehigh Valley Coal Co. and affiliated coal companies earned net in 1915-16 after all interest charges, \$1,094,922 against \$1,022,815 in 1914-15, \$564,860 in 1913-14, \$1,475,275 in 1912-13, \$1,162,241 in 1911-12, \$1,512,844 in 1910-11, \$1,136,543 in 1909-10, \$375,452 in 1908-9, \$388,606 in 1907-8, \$111,250 in 1906-7 and \$318,489 in 1905-6. The Lehigh Valley Coal Co. and affiliated companies produce and purchase a very large part of the anthracite coal transported by the Lehigh Valley R. R. The total production of anthracite coal from the lands owned and controlled by the Lehigh Valley Coal Co. and other companies in which it is interested, through lease or ownership of stock, was 8,103,187 tons for the year 1915-16, as compared with 8,088,901 tons for the previous year. On June 30, 1916, the Current Assets of the Lehigh Valley Coal Co. were \$4,301,002 in excess of Current Liabilities. The Coal Co. had outstanding \$19,688,000 bonds.

The Lehigh Valley R. R., in 1912, authorized an appropriation of \$6,060,800 out of the accumulated surplus of the company and the distribution of the same as a dividend of 10% pro rata to common and preferred stockholders of the Lehigh Valley R. R.

The Board of Directors of The Lehigh Valley Coal Co., in 1912 authorized the organization of a new corporation to be called "Lehigh Valley Coal Sales Co.," with an authorized capital stock of \$10,000,000, of which \$6,060,800 was issued immediately and were sold at par to stockholders of the Lehigh Valley R. R. to the extent of 10% of the latter's holdings of stock of the Railroad Co., the balance being reserved for such future needs as might arise. The Coal Co. entered into a contract with the Sales Co. for the purpose of having the latter purchase and sell such coal as shall be mined, purchased, owned or otherwise acquired by The Lehigh Valley Coal Co. and affiliated companies.

Dividends at the rate of $2\frac{1}{2}\%$ quarterly are being paid on the stock of the Lehigh Valley Coal Sales Co. The Coal Sales Co. in 1913-14 declared an extra cash dividend of 25%. Stockholders were also offered the privilege of subscribing at par to new stock to the extent of 25% of their respective holdings.

Appropriations for additions and improvements have been made from surplus earnings of the Lehigh Valley R. R. as follows:

Year 1902-3.....	\$1,266,182	Year 1907-8.....	\$1,775,264
Year 1903-4.....	1,465,290	Year 1908-9.....	582,643
Year 1904-5.....	1,411,551	Year 1909-10.....	843,877
Year 1905-6.....	1,570,227	Year 1910-11.....	980,549
Year 1906-7.....	2,068,590	Year 1911-12.....	340,944

No similar appropriation has since been made.

\$19,256,183 or 58.2% of the total operating expenses, including outside operations, for 1915-16, was paid direct to labor, being distributed during the year among an average of 23,815 employes.

Current Assets (including \$15,126,595 cash), as of June 30, 1916, were \$22,197,363, while Current Liabilities amounted to \$8,845,634. Profit and Loss Surplus was \$23,961,863.

LONG ISLAND R. R.

See Table, page 78.

No dividends have been paid on the stock since 1896.

In May, 1900, a majority of the stock was purchased by the Pennsylvania R. R., which company owned, as of December 31, 1915, \$6,797,900 par value of Long Island R. R. stock.

In January, 1917, minority stockholders were offered par in 5% 20-year debentures for their stock.

BONDS AND DEBENTURES.

In 1903, an issue of \$45,000,000 Refunding Mortgage 4% bonds was authorized. The total amount issued under this mortgage to December 31, 1915, was \$24,008,000, guaranteed principal and interest by the Pennsylvania R. R. The balance of the issue is reserved either to retire other securities or to take up underlying bonds at maturity. Prior to 1911 the Pennsylvania R. R. made large advances to this company. The advances referred to amounted on December 31, 1910, to \$12,797,952, of which \$12,247,952 has been settled by the issue of Debenture bonds (see next paragraph following).

In 1909, the company authorized \$16,500,000 4% 10-year Debenture bonds to be issuable as follows: the Pennsylvania R. R. for advances \$6,062,952; \$10,437,048 reserved to be issued (to P. R. R.) for future additions and improvements. Debentures to the amount of \$12,247,952 were issued as stated above to the Pennsylvania R. R. The amount of Debentures authorized has since been increased to \$26,500,000, the balance to be issued to the Pennsylvania at par in payment for advances.

GENERAL.

The company has completed the electrification of its lines in and adjacent to the boroughs of Brooklyn and Queens. Large sums have

been expended for additional terminal facilities at Bay Ridge and Long Island City and for the Atlantic Avenue Improvement.

The debit balance to Profit and Loss Account of the Long Island R. R. as of December 31, 1915, was \$7,133,979. Current Assets amounted to \$3,060,173 and Current Liabilities totalled \$3,169,698. Non Negotiable Debt to Affiliated Companies December 31, 1915 (Notes and Open Accounts), amounted to \$16,710,359. A portion of the interest due (The Pennsylvania R. R.) on these Notes during 1915 was funded.

During 1915, 70 new industries were established and 8,895 buildings were constructed at points outside of Brooklyn and Long Island City on the lines of the Long Island R. R.

MARYLAND & PENNSYLVANIA R. R.

See Table, page 79.

No dividends are being paid on the common stock.

4% was paid annually from 1902 to 1913 on the \$900,000 Cumulative Income bonds outstanding (April and October). The April, 1914, coupon was likewise paid. The October, 1914, coupon and subsequent coupons have not been paid. These bonds mature 1951.

In October, 1913, \$300,000 6% Gold Notes were issued. These Notes (\$500,000 authorized) mature October 1, 1923, and are convertible into common stock at \$50 per share until July 1, 1923.

The company guarantees principal and interest \$200,000 Maryland & Pennsylvania Terminal Ry. 5% bonds. The stock of the latter company is owned by the Maryland & Pennsylvania R. R.

Practically the entire line is laid with 70-pound to 75-pound rail.

Current Assets, December 31, 1915, \$100,422; Current Liabilities, \$89,699.

NEW YORK CENTRAL R. R.

See Table, page 80.

Dividends are payable quarterly, beginning January. From 1900 to 1906, 5% per annum was paid. From January, 1907, to and including January, 1908, quarterly dividends of 1½% were paid. In April, 1908, the dividend was reduced to a 5% basis. In April, 1910, the dividend rate was raised to 6%, but in April, 1911, the rate was again reduced to a 5% basis. Since 1869 the annual dividend rate on the stock has never been less than 4%.

In 1906, the Oregon Short Line R. R. (Union Pacific System) purchased \$14,285,700 stock of the New York Central at about \$137 per share. These holdings were later increased to \$20,000,000, largely by subscription to new stock at par (see following).

CAPITAL STOCK SOLD OR OTHERWISE ISSUED.

During recent years new stock has been sold or otherwise issued as follows:

In April, 1900, issued to stockholders at par.....	\$15,000,000
In 1902, issued to stockholders at \$125 per share. Proceeds used for improvements.....	16,912,900
In March, 1906, issued to stockholders at par.....	16,947,800
In 1906, issued to stockholders at par. Proceeds used for improvements, new equipment and terminal improvements in New York.....	28,984,900
In January, 1910, issued to stockholders at par (about \$22,000,000 to refund 5% Notes, and about \$22,000,000 for extensions, improvements, etc.).....	44,097,300
Other increases at various times, 1900 to 1916, including stock issued for purchase of outstanding "Lake Shore" shares and for other consolidation purposes.	27,617,560
In 1917 issued to stockholders at par.....	25,000,000
	<hr/> \$174,560,460

During the stated period above (1900-1917) over \$168,000,000 cash has been realized by the company from sales of stock at par or better.

The \$25,000,000 stock sold in 1917 was offered to stockholders of record January 2, 1917, at par to the extent of 10% of their respective holdings. The subscriptions were declared payable between January 20, 1917, and February 9, 1917.

BONDS.

A Refunding Mortgage was authorized in 1897. The bonds under this mortgage bear 3½% interest and mature in 1997. \$94,000,000 bonds of \$100,000,000 authorized have been sold.

In 1904, \$48,000,000 4% Debentures were authorized, all of which have been sold. These Debentures are now secured by the new Consolidated Mortgage (see following).

The Public Service Commission of New York in 1911 granted permission to the New York Central to purchase all or any part of the \$10,000,000 stock of the New York & Harlem R. R. at not over \$175 per \$50 share. \$6,385,200 of stock had been acquired to December, 1915. Permission was also granted to the New York Central to issue either \$50,000,000 30-year 4% Debentures (at not less than 90), or \$30,000,000 4½% Notes to be sold at not less than 98½ and to mature within three years from date of issue; such Notes as were issued to be retired out of proceeds from the sale of the Debentures. See paragraph following.

Permission was granted by the Public Service Commission to the New York Central to purchase the \$10,000,000 Rome, Watertown & Ogdensburg R. R. stock at \$124 per share and the outstanding balance (\$1,103,000) of the \$2,223,000 Utica & Black River R. R. stock

at \$184 per share, respectively. Both of these companies were leased by the New York Central and dividends of 5% and 7% respectively were guaranteed on their stocks. These stocks were acquired and the companies consolidated. \$20,000,000 of the \$30,000,000 3-year 4½% Notes authorized were sold. These Notes matured May 1, 1915. \$9,188,000 of the 4% Debentures had been issued to September, 1916. The original stockholders of the various leased lines were offered these Debentures at 92 and interest. No more Debentures of this issue are to be offered.

In July, 1913, stockholders voted to authorize a Refunding and Improvement Mortgage not to exceed \$500,000,000 except under careful restrictions for refunding, etc.; also 4% Consolidated Mortgage bonds due 1998, to the amount of \$167,102,400; these latter bonds to be offered in exchange for the \$109,914,400 "Lake Shore" and Michigan Central R. R. Collateral 3½% bonds and to be used to refund the New York Central Debenture 4% bonds of 1904 (\$48,000,000) and of 1912 (\$9,188,000).

The Consolidated Mortgage was declared issuable for the following purposes: Series "A" \$90,578,400 and Series "B" \$19,336,000, respectively, in exchange for \$90,578,400 N. Y. Central 3½% "Lake Shore" Collateral bonds and \$19,336,000 Michigan Central Collateral bonds; Series "C" \$48,000,000 and "D" \$9,188,000 are issuable only to refund \$48,000,000 4% Debentures due 1934, and \$9,188,000 Debentures due 1942. Both of these issues of Debentures are secured by the Consolidated Mortgage ranking, subject, however, to Series "A" and "B" bonds. The Series "A" bonds were exchangeable on and after February 4, 1916, for the "Lake Shore" and Michigan Central Collateral bonds as above. \$64,857,000 of the bonds were issued prior to November, 1916.

The Refunding and Improvement bonds are issuable in Series, all due October 1, 2013. They are secured by a lien next to the lien of the Consolidated Mortgage on all lines owned in 1913, including consolidated and merged lines (Lake Shore & Michigan Southern Ry., etc.), and by various bonds and stocks, including \$10,000,000 stock of the West Shore R. R. (entire issue), \$6,180,700 stock of the New York & Harlem R. R., etc. \$70,000,000 of these bonds, designated as Series "A" bonds, bearing interest at the rate of 4½% per annum, have been sold and the proceeds mostly used to retire Notes. The bonds under this mortgage will refund at or before maturity \$493,613,400 underlying bonds, including bonds of "Lake Shore" and other merged companies.

Under date of May 1, 1915, the N. Y. Central issued and offered for subscription at par to stockholders, \$100,000,000 20-year Debenture bonds convertible into stock at the rate of \$100 stock for \$105 bonds, between May 1, 1917, and May 1, 1925. The bonds are subject to call at 110 on 90 days' notice, and interest, but if so called may be converted into stock up to 30 days prior to date of conversion.

The proceeds of the issue were used to retire Notes maturing during 1915.

In 1900 the New York Central leased the Boston & Albany R. R. (394 miles) for ninety-nine years, guaranteeing its bonds and paying as an annual rental 8% on the Boston & Albany R. R. capital stock. The earnings of the Boston & Albany R. R. are merged with those of the lessee company. The road has reported during recent years profits and losses as follows: Profit in 1915, \$781,341; loss in 1914, \$934,703; loss in 1913, \$520,719; profit in 1912, \$71,602.

CONTROL OF OTHER RAILROADS—MERGER WITH "LAKE SHORE," ETC.

The New York Central R. R. (formerly N. Y. Central & Hudson River R. R.) acquired prior to December 31, 1914, practically all of the capital stock of the Lake Shore & Michigan Southern Ry. and of the Michigan Central R. R. (\$45,289,200 Lake Shore and \$16,819,300 Michigan Central). The stocks of these companies were acquired by exchange for New York Central 3½% bonds on the basis of \$200 in bonds for \$100 in L. S. & M. S. Ry. stock, and \$115 in bonds for \$100 in Michigan Central R. R. stock. In 1907, the dividend rate on the Lake Shore stock was raised from 8% to 12%, and in 1908, 1909, 1910, 1911, 1912, 1913, and 1914, dividends of 14%, 12%, 18%, 18%, 18%, 18% and 12% respectively were paid. In January, 1907, the rate on Michigan Central R. R. stock was raised from 4% to 6% and in 1908, 8% was paid; from 1909 to 1915 6% was paid annually. Increased dividends were established by other companies in the System. On January 1, 1915, the "Lake Shore" was merged into the New York Central R. R. All outstanding securities of the former company were assumed by the latter.

The control of the "Nickle Plate," "Big Four," Pittsburgh & Lake Erie R. R., Lake Erie & Western R. R., Toledo & Ohio Central Ry. and Chicago, Indiana & Southern R. R. (latter company merged January 1, 1915, into New York Central System) was for a number of years held by the Lake Shore & Michigan Southern Ry. through its ownership of their stocks. Following the merger of the "Lake Shore" into the New York Central & Hudson River R. R., these securities were transferred to the New York Central R. R. The New York Central R. R. controls through ownership by the Toledo & Ohio Central Ry. practically all of the stock of the Kanawha & Michigan Ry. See under Baltimore & Ohio R. R. as to ownership of large amounts of Reading Co. stock. The New York Central for several years held a controlling interest (\$4,704,100) in stock of the Rutland R. R.; in 1911 one-half (\$2,352,050) of this stock was sold for \$2,364,977 to the "New Haven."

SECURITIES OWNED.

As of December 31, 1915, the New York Central R. R. held stocks bonds and notes, mostly acquired from the Lake Shore, of a par value of \$251,059,803 valued on the books at \$218,324,398. Among

these were the following stocks of other railroads, etc. (date of purchase in parenthesis):

Lake Erie & Western R. R. (1899).....	*\$5,930,000	prefer'd stock
Lake Erie & Western R. R. (1899).....	*5,940,000	common stock
Cleve., Cin., Chic. & St. L. Ry.	†30,207,700	common stock
New York, Chic. & St. L. R. R. (1882)....	‡2,503,000	1st pfd. stock
New York, Chic. & St. L. R. R. (1882)....	‡6,275,000	2d pfd. stock
New York, Chic. & St. L. R. R. (1882)....	‡6,240,000	common stock
L. E. Alliance & Wheeling R. R. (1903)....	3,000,000	capital stock
Pitts. & Lake Erie R. R.	x14,994,250	common stock
Toledo & Ohio Central Ry. (1910)..... (a)	3,701,400	prefer'd stock
Toledo & Ohio Central Ry. (1910)..... (a)	5,846,300	common stock
Indiana Harbor Belt R. R.	735,000	capital stock
Reading Company (1903)..... (b)	6,065,000	1st pfd. stock
Reading Company (1903)..... (b)	14,265,000	2d pfd. stock
Reading Company (1903)..... (b)	9,852,500	common stock
New York State Rys.	13,604,900	stock
Toronto, Hamilton & Buffalo Ry. (c)	1,304,600	stock
American Express Co.	3,000,000	stock
Mohawk Valley Co.	5,114,300	stock
Rutland R. R.	2,352,050	prefer'd stock

*Acquired at a cost of \$5,847,017.

†Acquired \$7,528,700 in 1905; \$4,395,400 in 1906, and \$7,059,600 in 1907. Book value June 30, 1915, \$25,386,682. This company controls and operates the Peoria & Eastern Ry.; and controls the Cincinnati Northern R. R.

‡Disposed of in July, 1916, to certain Cleveland interests for \$2,000,000 cash and \$6,500,000 in Notes bearing interest at 4% for five years and 5% thereafter. These Notes mature \$650,000 annually commencing 1921. The book value of the "Nickle Plate" stock owned by the New York Central as of June 30, 1915, was \$8,447,747.

xControl held for many years. Additional stock was subscribed for at par in 1902, 1903, 1909, 1910, 1911 and 1912. Book value June 30, 1915, \$15,669,932. Holdings increased by approximately \$3,000,000 during 1916 by subscription to new stock at par.

(a) Acquired March, 1910, from Hocking Valley Ry. (cost of T. & O. C. Ry. stocks said to have been \$100 a share—book value of same June 30, 1915, \$7,120,675) The Toledo & Ohio Central Ry. controls the Kanawha & Michigan Ry. through stock ownership (see that company).

(b) Book value, June 30, 1915, \$21,840,725. An equal amount of Reading Co. first and second preferred and \$10,002,500 additional common stock is held by the Baltimore & Ohio R. R. Originally the "Lake Shore" and the latter company each owned \$3,950,000 additional Reading Co. common stock, but this amount was sold in 1904. The Reading Co. stock owned by the Lake Shore was carried at approximately the following book value on June 30, 1915; common stock

\$27.75 per \$50 share; first preferred stock, \$44.50; second preferred stock, \$38.50. \$150,000 Reading Co. common stock was sold during 1914, and the profit therefrom (\$172,794) credited to Profit and Loss.

(c) Michigan Central R. R., Canada Southern Ry. and Canadian Pacific Ry. also hold large amounts of this stock.

See the various railway companies mentioned above regarding dividend payments, etc.

LIGHTING AND TRACTION COS. ACQUIRED.

The New York Central has secured control of a number of traction lines, gas and electric light companies, etc. The New York Central has organized sub-companies to control its operations in this field, namely:—the Mohawk Valley Co., which controls the lighting companies (formerly held by the New York Central and since acquired), and the New York State Railways which controls the traction lines.

The Mohawk Valley Co. formerly controlled the traction properties, but in March, 1909, these were transferred to the New York State Railways Co. (see below) and at the same time the capital stock of the Mohawk Valley Co. was reduced from \$20,000,000 to \$7,500,000. The New York Central owned December 31, 1915, as stated, \$5,114,300 of this stock. In 1910 4½% in dividends was paid; from 1911 to 1916, 6% each was paid.

The Mohawk Valley Co. controlled as of December 31, 1915, several companies, principal among which was the Rochester Ry. & Light Co. The total income of the Mohawk Valley Co. and subsidiaries for the year ending December 31, 1915, amounted to \$3,868,552, and the surplus was \$621,052.

The control of the various traction lines is vested in the New York State Railways, as previously stated, a company incorporated March 23, 1909. The company at that time took over the traction properties previously controlled by the Mohawk Valley Co. The New York State Rys. owns, leases or otherwise operates 583 miles of track. These properties are in and adjacent to Rochester, Syracuse, Utica, Schenectady, Albany, Troy, etc.

The capitalization of the New York State Rys. as of December 31, 1915, was as follows:

Stock	Total	Owned by N. Y. Central
1st Preferred Stock (5%)...	\$3,862,500	\$600
Common Stock	19,952,400	13,604,300
	<hr/> \$23,814,900	<hr/> \$13,604,900

In 1916 there were outstanding \$12,748,000 New York State Rys. First Consolidated Mortgage 4½% bonds, due November 1, 1962. The authorized issue is \$50,000,000. The balance is issuable under restrictions for corporate purposes, additions, betterments, exten-

sions, etc. The total bonded debt of the company as of December 31, 1915, was \$24,030,000.

For the calendar year 1915 the earnings of the New York State Rys. and its subsidiary companies were: Gross, \$7,264,674; Gross Income, \$2,487,730; surplus, \$1,090,539 (\$1,329,216 in 1914, \$1,453,950 in 1913, and \$1,119,588 in 1912).

In July, 1910, an initial quarterly dividend of $1\frac{1}{2}\%$ was paid on the common stock of the New York State Rys., which rate (6% per annum), was maintained until 1914, when the rate was reduced to 5% per annum. In 1915 the dividend rate was 4% and in 1916, $4\frac{3}{4}\%$ (1% in January and $1\frac{1}{4}\%$ quarterly thereafter).

EQUIPMENT TRUSTS.

Since 1906 the subsidiary lines, with the exception of the New York, Chicago & St. Louis Ry. (Nickle Plate), have been known as the "New York Central Lines." In the years 1907, 1910, 1912 and 1913, New York Central Lines Equipment Trust Certificates were sold, such certificates being guaranteed by agreement, jointly and severally, both as to principal and interest, by the New York Central & Hudson River R. R., Michigan Central R. R., Cleveland, Cincinnati, Chicago and St. Louis Ry. and other New York Central lines. These certificates mature serially, the last maturity date being January 1, 1928. The Certificates as issued covered 90% of the cost of 1,685 locomotives, 957 passenger cars and 72,063 freight and service cars. The N. Y. Central R. R.'s share of this equipment consisted of 1,191 locomotives, 663 passenger cars and 48,942 freight and service cars. The following table shows the total amount of Certificates issued and the amounts outstanding December 31, 1915:

Series	Total Cts. issued for 90% of value of equipment.	N. Y. Central's proportion.	N. Y. Cen- tral's propor- tion of cts. redeemed.	N. Y. Cen- tral's propor- tion of cts. outstanding.	Total cts. outstanding.
1907	\$30,000,000	\$22,393,271	\$11,943,078	\$10,450,113	\$14,000,000
1910	30,000,000	21,485,317	8,594,127	12,891,195	18,000,000
1912	15,000,000	10,325,983	2,753,596	7,572,388	11,000,000
1912	*7,348,000	*7,348,000	*1,348,000	*6,000,000	*6,000,000
1913	23,179,000	10,996,644	1,881,663	9,114,982	19,200,000

*N. Y. C. & H. R. R. R.—Boston & Albany R. R. Equipment Trust of 1912.

In January, 1916, permission was asked by the New York Central R. R. of the Ohio Railroad Commission to issue \$11,730,000 $4\frac{1}{2}\%$ Equipment Certificates at 96, to provide funds to purchase 100 locomotives, 150 passenger train cars and 7,000 freight train cars.

CURRENT ASSETS AND LIABILITIES.

On December 31, 1915, Current Assets (including \$33,809,983 cash, and \$13,627,165 materials and supplies) were \$78,654,568 and Current Liabilities (including \$22,019,954 loans and bills payable), were \$52,190,741.

EXPENDITURES FOR IMPROVEMENTS—CONSOLIDATED COMPANIES.

It is stated that since January 1, 1900, the New York Central & Hudson River R. R. and the subsidiaries now consolidated with it, have expended in additions, betterments, new construction and new equipment, the sum of \$400,000,000.

Some of the more important recent outlays for betterments included in the above total are the following (mostly expended during years 1911 to 1914):

For four-tracking along the Hudson River during the past five years, with the necessary new signalling and new station facilities, over.....	\$25,500,000
Similar work on the Harlem Division has cost nearly	7,500,000
The Rome improvement, undertaken in connection with the construction by the State of the Barge canal, amounted to nearly.....	1,000,000
The building of the Gardenville freight yard, to enable trains to be handled outside of the congested districts of Buffalo, involving also the elimination of several crossings of highways at grade, required to complete over	3,000,000
Grade crossing elimination in the City of Buffalo, and track work in connection with same, reached.....	3,000,000
Other station and yard improvements east of Buffalo came to	1,500,000
New signalling cost	2,500,000
Work on yards, stations, shops and other facilities west of Buffalo	14,000,000
Electrification in New York City suburban territory with necessary equipment power houses, etc., cost nearly	20,500,000
	<u>\$78,500,000</u>

FACILITIES AND EARNINGS.

The increase in facilities and earnings which have taken place between the dates of the first and latest consolidations in the history of the New York Central R. R. may be seen from the following:

In 1853.	In 1914.
Ten Companies consolidated into the New York Central R. R. from Albany to Buffalo.	Twelve Companies consolidated into the New York Central R. R. from New York to Chicago.
307.....Passenger Cars.....	3,608
1,702.....Freight Cars.....	143,414
\$3,151,514.....Passenger Earnings.....	\$62,273,848
\$2,479,820.....Freight Earnings.....	\$105,858,426
563...Miles of Track Operated...	14,537
\$1,125,506.....Dividends.....	\$12,127,525

NEW YORK, ONTARIO & WESTERN RY.

See Table, page 81.

Dividends were paid from 1904 to 1911 inclusive, as follows: In 1905 $4\frac{1}{2}\%$ (of which 3% was the initial dividend paid in January, 1905); 1906 to 1911, 2% annually in August. In 1912 the dividend was passed; in 1913 2% was paid; nothing was paid during 1914 and 1915. In July, 1916, 1% was paid.

A majority of the stock of this road, namely \$29,160,000 common stock and \$2,200 preferred stock was purchased in 1904, by the New York, New Haven & Hartford R. R. at \$45 per share for the common stock.

In 1904, \$12,000,000 General Mortgage 4% bonds due June, 1955, were authorized, of which \$8,630,000 were outstanding June 30, 1916. These bonds and \$20,000,000 Refunding Mortgage 4% bonds due 1992, constitute the funded debt of the company.

On June 30, 1916, Current Assets (including \$875,404 materials and supplies) amounted to \$3,644,642, and Current Liabilities amounted to \$1,268,201.

In 1899 and 1900 the New York, Ontario & Western Ry. secured control of extensive coal properties, from which the majority of its coal tonnage is derived. The company issued \$5,825,000 5% Gold Notes (since matured) secured by mortgages on the coal company's property.

Among the coal securities carried on the books of the company as of June 30, 1915, were \$60,000 stock of the Elk Hill Coal & Iron Co. (valued at \$241,871) and \$2,600,000 Elk Hill Coal & Iron Co. bonds; \$200,000 stock and \$1,170,000 bonds of the Scranton Coal Co., and \$77,807 bonds of the Riverside Coal Co.

As of June 30, 1916, main and second track contained, exclusive of 53 miles of trackage:

50 miles of 95-pound steel,	348 miles of 76- & 75-lb. steel,
97 miles of 90-pound steel,	36 miles of 67-pound steel.
124 miles of 85-pound steel,	11 miles of 56-pound steel.

NEW YORK, PHILADELPHIA & NORFOLK R. R.

See Table, page 82.

Dividends have been paid during recent years as follows:

1903	'04	'05	'06	'07	'08-'16
6%	8%	10%	*10%	11%	12%

*Also 25% in stock

During 1908 the Pennsylvania R. R. secured all except \$7,250 of the \$2,500,000 New York, Philadelphia & Norfolk R. R. stock giving in exchange therefor \$300 in 4% Stock Trust Certificates, due 1948, and guaranteed principal and interest by the Pennsylvania R. R., for \$100 in stock.

The N. Y., P. & N. R. R. on December 31, 1915, held in its Sinking Fund \$100,000 preferred stock and \$446,800 common stock of

the Norfolk & Western Ry.; also \$261,250 preferred stock, and \$250,000 common stock of the Baltimore, Chesapeake & Atlantic Ry.

The balance sheet as of December 31, 1915, showed Current Assets, \$1,205,878, and Current Liabilities, \$870,743. The report showed also an investment in Sinking Funds of \$1,009,362. The credit balance to Profit and Loss on that date was \$1,443,956.

The Gross Revenue for 1915, \$4,154,985 compares with Gross Revenues of \$313,148 for 1885. There has been no increase in operated mileage.

NEW YORK, SUSQUEHANNA & WESTERN R. R.

See Table, page 83.

Practically all the stock of this road was exchanged in 1898 for stock of the Erie R. R. For the preferred stock Erie R. R. first preferred was offered dollar for dollar, and for the common stock, Erie R. R. common was offered dollar for dollar. The Erie R. R. as of June 30, 1916, owned \$25,599,002 of the \$26,000,000 preferred and common stocks outstanding. No dividends have been paid since 1892.

Under the mortgage of the Erie R. R.—Pennsylvania Collateral 4% bonds, \$6,630,000 common and \$6,630,000 preferred stock of this road are deposited.

During the past eleven years the following sums have been appropriated for betterments.

1904-5.....	\$115,202	1910-11.....	\$163,904
1905-6.....	114,380	1911-12.....	88,118
1906-7.....	209,659	1912-13.....	87,783
1907-8.....	62,700	1913-14.....	35,950
1908-9.....	13,320	1914—6 months	38,729
1909-10.....	1,809	1915.....	105,507

On December 31, 1915, Current Assets (including \$417,462 cash) were \$915,793 and Current Liabilities were \$695,845. There was a corporate surplus of \$2,010,639.

The New York, Susquehanna & Western R. R. is operated independently and its accounts kept separate and distinct from those of the Erie R. R.

Among the assets of this company as of June 30, 1915, were \$198,500 preferred stock and \$591,000 common stock of the New York, Susquehanna & Western Coal Co.

PENNSYLVANIA R. R.

See Table, page 84.

Dividends were paid quarterly beginning February at the rate of 6% per annum from 1899 to Aug. 1906. In November, 1906, and during 1907, a 7% rate was paid, but in 1908, the rate was reduced to the 6% basis which rate has been continued to date.

During the period from December 31, 1860, to December 31, 1916,

about \$540,000,000 was paid out by the Pennsylvania R. R. to its stockholders in cash dividends.

On December 31, 1915, there were 93,768 holders of Pennsylvania R. R. stock. Average holdings, 106 shares.

From January 1, 1850, to December 31, 1916, the total Gross Earnings of the Pennsylvania R. R. proper (not including Other Income), were in excess of \$4,200,000,000.

APPROPRIATIONS FROM SURPLUS.

Appropriations from surplus earnings for improvements, additions, etc., have been made as follows:

Years 1901 to 1906..	\$58,644,601	Year 1911.....	\$6,265,887
Year 1907.....	5,760,651	Year 1912.....	9,253,587
Year 1908.....	4,538,981	Year 1913.....	11,103,207
Year 1909.....	11,581,810	Year 1914.....	2,230,336
Year 1910.....	7,204,597	Year 1915.....	*\$10,526,762

**An additional sum of \$1,946,341 was applied to Sinking and Other Reserve Funds.*

From the surplus of 1912 and earlier years large deductions were made, representing payments on account of principal of Car Trust and to various Sinking Funds. Operating expenses have been for years heavily charged for improvement work.

In 1908 the Pennsylvania Co. contributed \$10,000,000 toward the cost of the New York Tunnel Extension, and charged the same to its Profit and Loss account.

In 1906, 1907 and 1910 the Pennsylvania R. R. contributed the total sum of \$32,400,000 toward construction of the New York Tunnel Extension, and charged the same to profit and Loss. Profit and Loss in turn was credited through stock dividends received, adjustments, etc., with sums approximately (net) the total of these charges.

COST OF NEW YORK TUNNEL AND TERMINALS.

The New York Tunnel Extension (completed 1910) is operated by the Pennsylvania Tunnel & Terminal Co. \$15,000,000 stock of this company is owned by the Pennsylvania R. R. and \$10,000,000 by the Pennsylvania Co. The Pennsylvania R. R. likewise owned as of December 31, 1915, \$83,003,410 Certificates of Indebtedness of the Tunnel Co. The total cost, to December 31, 1911, of the Tunnel Extension, including real estate not permanently required for its use, amounted to \$114,861,420, of which \$47,400,000 was charged against Income or the Profit and Loss of the Pennsylvania R. R. and \$10,000,000 was charged against the Profit and Loss Account of the Pennsylvania Co. The cost of road as shown on the balance sheet of the P. T. & T. R. R. of June 30, 1914, was \$107,158,968. The deficit from operations for 1913-14 was \$1,154,019.

OTHER COMPANIES IN WHICH PENNSYLVANIA R. R. IS INTERESTED.

The Pennsylvania R. R. owned on December 31, 1915, directly or indirectly, a majority of the capital stock of the Philadelphia, Baltimore & Washington R. R., Northern Central Ry. (leased since 1914), Pittsburgh, Cincinnati, Chicago & St. Louis Ry., Long Island R. R., Cumberland Valley R. R., and West Jersey & Seashore R. R. and all the stock of the Pennsylvania Co. These roads, excepting Northern Central Ry. are operated independently. See those companies and see last following. In addition to the above, the Pennsylvania R. R. owned on December 31, 1915, \$2,492,750 of \$2,500,000 stock of the New York, Philadelphia & Norfolk R. R. The Pennsylvania R. R. owned, on December 31, 1915, either directly or through its owned or controlled roads, large blocks of stock of the Norfolk & Western Ry. and Southern Pacific Co. R. R. In 1906 the Pennsylvania R. R. sold its interest in Chesapeake & Ohio Ry. stock and about one-half of its holdings of stock of the Norfolk & Western Ry. and Baltimore & Ohio R. R. In 1909, the Norfolk & Western Ry. stock sold was repurchased. See a following paragraph regarding exchange in 1913 of Baltimore & Ohio R. R. stock for Southern Pacific Co. stock.

For sale by the Pennsylvania R. R. of Cambria Steel stock and Pennsylvania Steel stock. See paragraph under Pennsylvania Co.

The Pennsylvania R. R. has through the Pennsylvania Co., which latter company owns a majority of their stocks, large interests in other railroads, operated independently, as for example, the Vandalia R. R., the Grand Rapids & Indiana Ry., Toledo, Peoria & Western Ry., etc., aggregating about 2,000 miles of road. See a following paragraph.

The equity of the Pennsylvania R. R. in practically all of the above mentioned companies is extremely large.

STOCK AND CONVERTIBLE BONDS.

On January 1, 1905, over \$300,000,000 stock of the Pennsylvania R. R. was outstanding. Over one-half of this stock had been issued since 1900, and of the new stock over 80% was sold to stockholders, at from 115% to 120% of par value, for cash. Over \$22,000,000 stock was exchanged for 3½% Convertible bonds on the basis of about \$7,100 par value in stock for each \$10,000 par value in bonds. On November 1, 1912, \$10,222,500 of these bonds, which had not been converted matured and were paid off. The original issue of these bonds was \$50,000,000.

In 1905, stockholders subscribed at par for \$100,000,000 3½% bonds, convertible into stock at \$75 per \$50 share. A part of the proceeds was used to retire \$27,480,020 6% bonds; the balance for improvements. On October 1, 1915, \$86,827,000 of these Convertibles matured and were paid off.

Stockholders in 1909 subscribed at par for new stock to the extent

of 25% of their respective holdings. \$82,517,800 stock was subscribed for. A majority of the holders of the then outstanding Convertible 3½% bonds due 1912 converted their bonds into stock and subscribed for new stock.

The proceeds from this sale of stock were used to retire \$60,000,000 5% Notes, and \$20,000,000 General Mortgage 6% bonds.

In 1911, the stockholders authorized an issue of new stock to the amount of \$41,261,600 which was offered for subscription to stockholders at par to the extent of 10% of their respective holdings.

Stockholders of record May 5, 1913, subscribed to \$45,387,750 new stock at par, this being equal to 10% of their respective holdings.

NEW BOND ISSUE.

In April, 1908, \$39,400,000 Consolidated Mortgage 4% bonds due May 1, 1948, were sold. The proceeds were to be used for the work on New York Terminals, for construction, etc.

Early in 1915 there were sold \$49,000,000 Consolidated Mortgage bonds, bearing interest at 4½% per annum, and maturing 1960. This brings the total amount of bonds issued under this mortgage up to \$98,000,000, and closes the same. The stockholders in 1914, authorized a new General Mortgage, under which bonds may be issued from time to time to an amount never in excess of the then outstanding stock. A total of \$165,155,000 of the bonds were reserved to retire prior lien bonds and real estate mortgages, \$65,000,000 of these General Mortgage bonds, due June 1, 1965, were sold during 1915, to retire with other funds \$86,827,000 maturing 3½% Convertible bonds.

MISCELLANEOUS.

Of the total tonnage handled by the lines directly operated in 1915, bituminous coal contributed about 31%, coke 9% and anthracite coal about 8%. Products of Mines contributed in all about 60% of the total tonnage handled in 1915.

NEW YORK CONNECTING R. R.

The New York Connecting R. R., which is owned jointly by the Pennsylvania R. R. and the New York, New Haven & Hartford R. R., is constructing a line from connections with the Long Island R. R. and the East River tunnel of the Pennsylvania R. R. at Long Island City, through the borough of Queens and across the East River via a bridge being constructed by this company at Randall's Island, N. Y., to Port Morris, N. Y. The line will connect at the latter point with the "New Haven." Trackage rights over the Long Island R. R. will be used to its Bay Ridge terminals on New York Harbor. Car ferries will be used from Bay Ridge to Greenville, N. J. (3.5 miles), the freight terminal of the

Pennsylvania R. R. This line, to be completed in 1917, will not only greatly expedite the movement, but also will reduce the transportation cost, of freight and passenger traffic interchanged between the Pennsylvania R. R. and the "New Haven." The cost of this line will be about \$20,000,000, which will be provided for through an issue of securities to be guaranteed by the two parent companies. \$16,000,000 4% bonds (\$30,000,000 authorized) have been sold. The bonds mature in 1953, and are guaranteed by the two parent companies.

SECURITIES OWNED.

The entire book value of the securities (par value \$441,853,939) mostly of other corporations, held by the Pennsylvania R. R. December 31, 1915, was \$337,987,610. The securities included \$80,000,000 stock of the Pennsylvania Co., also \$15,000,000 stock and \$83,003,410 Certificates of Indebtedness of the Pennsylvania Tunnel and Terminal R. R. The direct revenue received from securities during the year 1915 was \$11,718,371, which amounted to about 3.62% upon the book value thereof. Of these securities stocks and bonds of a face value of \$54,324,300 were pledged.

On December 31, 1915, the Pennsylvania R. R. and the Pennsylvania Company owned capital stock as follows, of railroads in the *Pennsylvania Railroad System*, but not directly operated by either of these companies:

P. C. C. & St. L. Ry.....	preferred stock.	\$24,886,850
P. C. C. & St. L. Ry.....	common stock.	24,169,600
P. B. & W. R. R.....	common stock.	25,135,475
Northern Central Ry.....	*common stock.	14,808,050
Long Island R. R.....	common stock.	6,797,900
West Jersey & Seashore R. R....	common, etc., stock.	4,950,050
N. Y., Phila. & Norf. R. R.....	common stock.	2,492,750
Cumberland Valley R. R.....	1st preferred stock.	238,600
Cumberland Valley R. R.....	2nd preferred stock.	241,750
Cumberland Valley R. R.....	common stock.	4,828,300
Grand Rapids & Indiana Ry.....	common stock.	2,966,600
Toledo, Peoria & Western Ry.....	common stock.	2,011,200
Vandalia R. R.....	common stock.	12,175,000

*The Pennsylvania R. R., in 1910, approved a proposition to lease the Northern Central Ry. for 999 years on the basis of a stock dividend of 40%, a cash dividend of 10% and a guaranteed annual dividend of 8% on the capital as increased by the foregoing allotment. The execution of the lease was delayed until 1914, owing to suits brought by dissenting minority stockholders.

On December 31, 1915, the Pennsylvania R. R., the Pennsylvania Co., the Philadelphia, Baltimore & Washington R. R., Cumberland Valley R. R., New York, Philadelphia & Norfolk R. R. and the

Northern Central Ry. owned capital stock as follows of railroads *not in the Pennsylvania Railroad System*:

*Southern Pacific Co.....	\$33,582,400
Norfolk & Western Ry.....preferred stock.	11,420,000
Norfolk & Western Ry.....common stock.	42,377,000
N. Y., N. H. & H. R. R.....common stock.	5,312,500

*See third paragraph following.

In 1906, the Pennsylvania R. R. sold to the Union Pacific System \$7,206,400 preferred stock and \$32,334,200 common stock of the Baltimore & Ohio R. R.; the Pennsylvania R. R. sold also at that time to Kuhn, Loeb & Co., \$2,254,000 preferred stock and \$14,084,000 common stock of the Norfolk & Western Ry. and \$15,630,000 Chesapeake & Ohio Ry. stock. The stock of the Norfolk & Western Ry. was repurchased in April, 1909. The Chesapeake & Ohio Ry. stock represented the entire holdings of the Pennsylvania lines.

In June, 1913, \$21,273,600 of each class of Baltimore & Ohio R. R. stock, then held by the Pennsylvania R. R. lines, was exchanged for \$38,292,400 of Southern Pacific Co. stock held by the Union Pacific R. R. The Pennsylvania R. R. proper owned as of December 31, 1915, \$17,143,800 Southern Pacific Co. stock.

The securities owned and given above include only the stocks of railroads whose income accounts are given in this book.

WORKING ASSETS AND LIABILITIES.

On December 31, 1915, Current Assets of the Pennsylvania R. R. amounted to \$93,256,004 (of which \$13,778,293 was cash) and Current Liabilities amounted to \$49,488,289. The credit balance to Profit and Loss was \$27,991,500.

PENNSYLVANIA CO.

See Table, page 85.

Since 1900 the following cash dividends have been paid:

'02	'03	'04 & '05	'06	'07 & '08	'09	'10-'13	'14	'15	'16
3%	4%	5%	6%	7%	8%	7%	4%	6%	8%

The dividends paid in 1916 were 4% each in June and December.

The following amounts of capital stock have been issued all to the Pennsylvania R. R., since 1901 (in which year \$21,000,000 was outstanding); \$19,000,000 in 1901 in exchange for securities of roads connected with the Pennsylvania Co.'s System theretofore held in treasury of Pennsylvania R. R.; \$20,000,000 sold 1905 at par. 33⅓% in 1910 as a stock dividend. This increased the holdings of the Pennsylvania R. R. by \$20,000,000, making a total of \$80,000,000 stock held by the Pennsylvania R. R.

Appropriations from surplus earnings for Additions and Betterments have been made as follows:

Year 1903.....	\$3,000,000	Year 1909.....	*\$3,000,000
Year 1904.....	2,000,000	Year 1910.....	*3,500,000
Year 1905.....	2,000,000	Year 1911.....	*4,000,000
Year 1906.....	2,500,000	Year 1912.....	3,000,000
Year 1907.....	2,500,000	Year 1913.....	3,000,000
Year 1908.....	2,500,000	Year 1915.....	2,969,723

*Includes contributions to the "General Fund of the Pennsylvania Co."

No appropriation was made from the Surplus of 1914; \$1,911,619 was, however, appropriated to Sinking and Other Reserve Funds. \$1,934,624 was so appropriated during 1915.

During 1915, Profit and Loss was charged \$7,000,000 Surplus applied to Sinking and Other Reserve Funds, and \$7,700,000 appropriated for Investment in Physical Property. During the year \$16,056,545 was credited to Profit and Loss.

SECURITIES OWNED.

The Pennsylvania Co. controls by ownership of stock over 3,300 miles of road operated independently, including the Pittsburgh, Cincinnati, Chicago & St. Louis Ry., the Grand Rapids & Indiana Ry., the Vandalia R. R., etc. On December 31, 1915, the Pennsylvania Co. owned the following stocks of railroads, operated independently, whose income accounts are given in this book:

In the Pennsylvania Railroad System.

Grand Rapids & Indiana Ry.....	common stock.	\$2,966,600
P. C. C. & St. L. Ry.....	preferred stock.	24,886,850
P. C. C. & St. L. Ry.....	common stock.	24,169,600
Toledo, Peoria & Western Ry.....	common stock.	2,011,200
Vandalia R. R.	common stock.	12,175,000

Not in the Pennsylvania Railroad System.

Southern Pacific Co. (see note).....	common stock.	\$12,741,200
Norfolk & Western Ry. (see note).....	preferred stock.	5,000,000
Norfolk & Western Ry. (see note).....	common stock.	3,190,500

Note.—See under Pennsylvania R. R. regarding sale by that railroad in 1906 of large blocks of stocks of the Baltimore & Ohio R. R. and the Norfolk & Western Ry. The last named stock was re-purchased in 1909. See Pennsylvania R. R. regarding exchange in 1913, of Baltimore & Ohio R. R. stocks held by various Pennsylvania R. R. Lines for Southern Pacific Co. stock then held by the Union Pacific System. The Pennsylvania Co. exchanged \$5,000,000 preferred stock and \$13,451,200 common stock of the Baltimore & Ohio R. R. for \$17,451,200 stock of the Southern Pacific Co. During 1914 and 1915 the Pennsylvania Co. disposed of \$3,250,000 and \$1,460,000 Southern Pacific Co.'s stock.

In 1916 the Pennsylvania Co. offered holders of the \$598,000

stock of the Louisville Bridge Co. held by the public, 7 shares (\$697,200) Southern Pacific Co. stock for 6 shares (\$598,000) Louisville Bridge Co. stock. Practically all of the latter stock was acquired under the offer.

The Pennsylvania Co. owned in addition on December 31, 1915, \$10,000,000 stock of the Pennsylvania Tunnel & Terminal R. R. The Pennsylvania Co. contributed in 1908, \$10,000,000 toward the cost of the Pennsylvania Tunnel and Terminal improvements. The amount so contributed was charged directly to Profit and Loss, this account having at the same time been credited with \$9,308,000, amount transferred from "Contributions to Sinking Fund for 3½% Gold Loan of 1901," being amount of said loan redeemed and cancelled to December 31, 1908.

Early in 1912 the Pennsylvania Co. acquired control of the Ohio River & Western R. R., Bellaire to Zanesville, Ohio, (112 miles).

On December 31, 1915, the Pennsylvania Co. owned sundry bonds and stocks of a par value of \$225,463,461, valued on the company's books at \$179,924,731. Of these securities, \$114,369,100 face value of stocks were pledged. The income received from securities in 1915 was \$9,084,408. Included in the stocks owned were \$4,579,200 preferred and \$3,694,400 common stock of the Pennsylvania Steel Co.

Late in October, 1915, the Pennsylvania Co. disposed of one-half each of its holdings of common and preferred stock of the Pennsylvania Steel Co. (formerly \$9,158,300 preferred and \$7,388,900 common) at \$37 and \$85 per share respectively. Likewise a total of \$22,504,100 Cambria Steel Co. stock. From the proceeds of the sale of these and other securities the Pennsylvania Co. was able to apply \$7,000,000 to its General Fund and to Sinking and Reserve Fund; also \$7,700,000 for Additions and Betterments. The balance, \$1,256,545 was credited to Profit and Loss.

Included in the bonds owned December 31, 1915, were \$3,500,000 4% Equipment certificates of Pennsylvania Lines, \$800,000 Long Island R. R. 4% Equipment certificates, \$3,487,000 Grand Rapids & Indiana Ry. Second Mortgage 4% bonds, \$1,248,000 Toledo, Peoria & Western Ry. First Mortgage 4% bonds and \$5,950,000 Pennsylvania Steel Co. 30-year Collateral Trust 5% bonds.

CONSOLIDATION OF SUBSIDIARY COMPANIES.

On July 1, 1911, the Cleveland & Marietta Ry. and the Toledo, Walhonding Valley & Ohio R. R. were consolidated as the Toledo, Columbus & Ohio River Ry. On the same date the Cleveland, Akron & Columbus Ry. and the Cincinnati & Muskingum Valley R. R. were merged into the Cleveland, Akron & Cincinnati Ry. Both of these consolidated companies are now operated directly by the Pennsylvania Co.

Products of Mines contributed 62% of the tonnage handled in 1915.

WORKING ASSETS AND LIABILITIES.

On December 31, 1915, Current Assets were \$27,511,262, and Current Liabilities \$12,533,399. The balance to the credit of Profit and Loss was \$8,580,877.

PHILADELPHIA, BALTIMORE & WASHINGTON R. R.

See Table, page 86.

DIVIDENDS.

This company is paying dividends at the rate of 4% per annum, payable semi-annually, June and December.

HISTORY.

The Philadelphia, Wilmington & Baltimore R. R. and the Baltimore & Potomac R. R. companies (the latter formerly a leased line) were consolidated on November 1, 1902, into the Philadelphia, Baltimore & Washington R. R. Under the agreement of consolidation there was issued \$17,724,150 capital stock of the new company in exchange for \$11,816,100 stock of the Philadelphia, Wilmington & Baltimore R. R. and \$2,765,000 stock in exchange for \$5,530,000 stock of the Baltimore & Potomac R. R. Also in accordance with the provision of the agreement of consolidation, \$3,000,000 of Baltimore & Potomac R. R. 5% Consolidated Mortgage bonds held by the Pennsylvania R. R. were exchanged for a like amount of stock of the new company, thus making the outstanding stock of the Philadelphia, Baltimore & Washington R. R. \$23,489,150. In 1907, there was sold to stockholders at par \$1,644,400 new stock the proceeds being applied toward improvements. The amount outstanding on December 31, 1915, was \$25,138,000, of which the Pennsylvania R. R. owned \$25,135,475.

The Philadelphia, Baltimore & Washington R. R. owned among other securities, as of December 31, 1915, \$1,848,700 stock of the Southern Pacific Co. (received in exchange June 30, 1913, for \$1,048,700 common stock and \$1,000,000 preferred stock of the Baltimore & Ohio R. R.), \$2,497,180 of the \$2,499,174 stock of the Philadelphia & Baltimore Central R. R. and \$2,126,000 stock (one-half) of the Washington Terminal Co.

Anthracite, Bituminous, Coal, Coke, etc., in 1915 contributed 21% of total tonnage. Products of Mines 31%.

The following appropriations have been made from surplus earnings account of extraordinary expenditures:

1904.....	\$1,180,513	1910.....	\$1,021,619
1905.....	1,714,023	1911.....	1,200,000
1906.....	1,842,811	1912.....	817,659
1907.....	998,720	1913.....	370,263
1908.....	433,513	1914.....	223,633
1909.....	622,281	1915.....	909,203

The above mentioned appropriations followed similar large appropriations by the Philadelphia, Wilmington & Baltimore R. R. in previous years.

BONDS.

There were sold in 1904, \$10,570,000 of an authorized issue of \$20,000,000 First Mortgage 4% bonds due 1943, \$4,500,000 additional of these bonds were sold in 1911 and the proceeds used to retire \$4,500,000 6% bonds of the Baltimore & Potomac R. R. which matured. \$1,000,000 of these bonds were sold in 1914 to reduce floating debt. The balance of the authorized issue, \$3,930,000 is reserved to retire an equal amount of debentures and prior liens.

There were sold in 1908, \$5,000,000 4% Serial Debentures to meet indebtedness representing advances for capital expenditures. These debentures mature \$500,000 annually to January 1, 1924. They are to be secured by any new mortgage, \$3,500,000 of these bonds remained outstanding March 1, 1917.

This company and the Baltimore & Ohio R. R. jointly and severally guarantee \$10,000,000 Washington Terminal Co. 3½% and \$2,000,000 4% bonds due 1945. The authorized issue of these bonds is \$20,000,000. The guarantor companies each own one-half of the stock of the Washington Terminal Co. The terminal and approaches were completed in 1907. Other tenants besides the guarantor companies are the Southern Ry., Washington Southern Ry. and Chesapeake & Ohio Ry.

On December 31, 1915, Current Assets were \$3,571,130 and Current Liabilities were \$2,820,566.

PITTSBURGH & LAKE ERIE R. R.

See Table, page 87.

Dividends have been paid since 1892 as follows:

1892 to 1906	1907	1908	1909 to 1916
10% yearly	12%	11%	*10% yearly

**In February, 1910, in addition to the regular semi-annual dividend of 5%, an extra cash dividend of 40% was paid, and in March, 1911, an extra cash dividend of 25% was paid. In March, 1912, an extra dividend of 12% was paid. In March, 1913, 5% extra was paid. In August, 1916, an extra dividend of 20% was paid and stockholders were allowed to subscribe at par for new stock to the extent of 20% of their previous holdings. See next paragraph.*

On December 31, 1908, \$10,000,000 stock was outstanding. Since that date additional stock has been sold at par to stockholders: 1909, \$5,000,000; 1910, \$6,000,000; 1911, \$4,200,000; 1912, \$4,788,000; 1916, \$5,997,600. The total amount of stock outstanding December 31, 1915, was \$29,988,000, of which the New York Central R. R. Co. owned \$14,994,250. The new stock issued August, 1916, increased the outstanding total to \$35,988,000. The authorized amount of stock is \$50,000,000.

From July 1, 1902, to January 1, 1917, \$31,988,000 of the \$35,988,000 outstanding capital stock was issued for cash at par to stockholders. The proceeds were used for improvements, etc., including a large amount of four-tracking of the company's road.

In 1905, the Pittsburgh & Lake Erie R. R. jointly with the Pennsylvania R. R. and the Baltimore & Ohio R. R. acquired the holdings of the Little Kanawha Syndicate, consisting of railroad properties and franchises in West Virginia, Ohio and Pennsylvania. The purchase included the Little Kanawha R. R., the Zanesville, Marietta & Parkersburg R. R., and several other properties. On the same date the Pittsburgh & Lake Erie R. R. acquired by purchase the entire holdings of the Greene County R. R. Syndicate, owning railroad properties and franchises in Greene and Washington Counties, Pa. On December 31, 1915, the properties were carried on the balance sheet of the Pittsburgh & Lake Erie R. R. at a valuation of \$4,-518,866.

In 1915 bituminous coal and coke contributed 49% of the total freight traffic.

The Pittsburgh & Lake Erie R. R. has by far the largest average gross earnings per mile of any railroad treated of in this book, excepting only the Panama R. R. The maintenance expenses are phenomenally large.

An agreement was entered into in 1910 between the Pittsburgh & Lake Erie R. R. and the Western Maryland Ry., providing for a connection of the two above mentioned lines at Connellsville, Pa., through the construction by the latter company of an extension and for the establishment of through routes and joint rates for a term of 99 years from January, 1910. (See Western Maryland Ry.)

See under New York Central & Hudson River R. R. regarding issue by the New York Central Lines of \$12,540,000 (\$24,000,000 authorized) 4½% Serial Equipment bonds under date of March 1, 1913. The Pittsburgh & Lake Erie R. R. assumed \$3,981,991 of the Certificates. \$3,185,593 of these Certificates were outstanding December 31, 1915.

On December 31, 1915, Current Assets (including \$4,931,167 cash) were \$10,545,634, and Current Liabilities were \$3,987,130. There was a credit balance to Profit and Loss of \$21,010,884.

See Table, page 88.

READING CO.

Dividends have been paid since 1901 as follows:

	'01	'02	'03	'04	'05	'06-'09	'10-'12	'13-'16
First preferred %..	4	3	4	4	4	4	4	4 (Q.-M.)
Second preferred %	0	0	1½	4	4	4	4	4 (Q.-J.)
Common %	0	0	0	0	3½	4	6	8 (Q.-F.)

The first and second preferred stocks are limited to non-cumulative dividends at the rate of 4% per annum in order of priority. The company has the right to convert the second preferred stock into one-half of first preferred and one-half of common stock.

The Reading Co. owns the securities, real estate, equipment, etc., of the old Philadelphia & Reading R. R., also the \$42,481,700 stock and \$20,000,000 purchase money bonds of the Philadelphia & Reading Ry. and the \$8,000,000 stock of the Philadelphia & Reading Coal

& Iron Co. In acquiring the above the Reading issued its own securities. As of June 30, 1916, the P. & R. Coal & Iron Co. owed the Reading Co. \$71,603,135.

OWNERSHIP OF STOCK.

In 1903, the Baltimore & Ohio R. R. and Lake Shore & Michigan Southern Ry. purchased a large amount of stock of the Reading Co. On June 30, 1916, the Baltimore & Ohio R. R. owned \$6,065,000 first preferred, \$14,265,000 second preferred and \$10,002,500 common stock, and the New York Central R. R. (successor to the Lake Shore) owned on December 31, 1916, equal amounts of Reading Co.'s first and second preferred stocks, and \$9,852,500 common stock, a total of \$30,182,500.

CONTROL OF CENTRAL R. R. OF NEW JERSEY.

As of June 30, 1916, the Reading Co. owned \$14,504,000 stock of the Central R. R. of New Jersey. In addition to the mileage operated by the Philadelphia & Reading Ry. the Reading Co. owns interests in 1,130 miles of road (this total including the Central R. R. of New Jersey, 638 miles).

To acquire the Central R. R. of New Jersey stock, the Reading Co. issued in 1900 \$23,000,000 Collateral 4% bonds, \$3,017,650 first preferred stock, and \$1,713,750 second preferred stock.

The Central R. R. of New Jersey paid in 1915-16 a 12% dividend. The Reading Co. thus received in dividends \$1,740,480. The interest (and dividends) paid on the securities issued to pay for the stock of the C. R. R. of N. J. was \$1,109,256. The Reading Co.'s interest in the undivided profits for 1915-16 of the C. R. R. of N. J. and the Lehigh & Susquehanna Coal Co. amounted to several millions of dollars.

The Reading Co. formerly owned \$1,000,000 Lehigh Valley R. R. stock. This was disposed of in 1909-10, at a profit of \$1,153,146.

COAL DEPARTMENT.

The earnings of the Philadelphia & Reading Coal & Iron Co. since 1907-8 have been reported as follows:

	Gross Income	Expended for Improvements at Collieries	
1907-8.....	\$38,014,421	\$1,286,011	\$207,524
1908-9.....	34,792,694	1,172,205	66,974
1909-10.....	33,217,936	1,216,015	loss 71,501
1910-11.....	34,390,131	1,139,041	loss 103,317
1911-12.....	35,733,653	839,742	171,576
1912-13.....	40,983,063	1,241,071	*1,139,592
1913-14.....	32,703,982	1,193,385	715,390
1914-15.....	30,086,512	682,068	60,572
1915-16.....	36,603,759	709,345	†1,280,048

*In 1912-13, interest of \$2,269,405 was paid by the Coal Co. on Reading Co. loans against \$864,084 paid in 1911-12. No interest

was paid during 1913-14, 1914-15 and 1915-16. †*After payment of \$362,497 judgment in suit regarding right of way on coal mined from 1884 to 1903.*

It was estimated a few years ago that the total unmined coal supplies controlled by the Reading Co. approximated 2,450,000,000 tons of anthracite. During 1915 company gained 9,399,723 tons, purchased 8,154 tons and sold 10,152,082, compared with 8,161,837 tons mined 115,478 tons purchased and 8,083,347 tons sold in 1914.

On June 30, 1916, Current Assets of the Coal & Iron Co. exceeded Current Liabilities by \$10,345,860.

Of the total tonnage carried by the Philadelphia & Reading Ry. merchandise traffic (all other than coal) contributed 29,750,421 tons, anthracite coal contributed 12,977,152 tons, and bituminous coal, 21,307,225 tons. Total merchandise traffic earnings were \$23,294,256, and total coal traffic earnings were \$24,287,611.

Appropriations for improvements, additions, etc. (including amounts expended by the Coal & Iron Co., as stated above), have been made from income as follows:

1904-5.....	\$2,710,618	1910-11.....	\$4,492,600
1905-6.....	4,670,390	1911-12.....	3,469,482
1906-7.....	3,193,163	1912-13.....	3,632,633
1907-8.....	2,223,670	1913-14.....	3,218,168
1908-9.....	2,977,927	1914-15.....	1,843,759
1909-10.....	3,286,676	1915-16.....	1,705,005

From the surplus for 1915-16 there was deducted also \$426,892 paid to the Trustee of the General Mortgage, being the amount required for the Sinking Fund. To June 30, 1916, \$7,855,000 General Mortgage bonds had been purchased and cancelled for the Sinking Fund. In accordance with the terms of the mortgage the sum of 5 cents for each ton of coal mined from the lands owned by the P. & R. Coal & Iron Co., and pledged under the General Mortgage, is appropriated annually to purchase bonds. \$98,165,000 General Mortgage bonds were outstanding on June 30, 1916, of which \$4,448,000 were in the treasury of the company.

On June 30, 1916, the Philadelphia & Reading Ry. showed Current Assets, \$16,123,147, and Current Liabilities, \$8,431,901. Current Assets of the Reading Co. were \$6,559,228, and Current Liabilities were \$3,342,391.

BONDS ISSUED.

Notwithstanding the fixed charges created since December 1, 1896, being interest on bonds and other obligations issued in payment of a large amount of new equipment, and interest of \$920,000 upon the Jersey Central Collateral Gold bonds and other interest, the net fixed charges and taxes in 1915-16 were actually less than on December 1, 1896, when the voting trustees assumed control of the reorganized companies; taxes alone had more than doubled during this period. From December 1, 1896, to June 30, 1915, the Railway

Co. expended for improvements and betterments, in addition to the ordinary expenditures for maintenance and repairs, approximately \$32,350,391. The Coal & Iron Co. expended during that period approximately \$19,552,590 for new work at collieries. None of these expenditures were charged to capital account. The Railway Co. accumulated also \$1,003,780 Insurance Fund. The Coal & Iron Co. paid off \$3,600,000 6% Coal Trust Certificates. In addition the Sinking Funds were all kept up. The actual amount of bonds of the Reading Co., P. & R. Ry. and P. & R. Coal & Iron Co. outstanding in the hands of the public as of June 30, 1916, was \$148,005,613, as compared with \$152,342,893 bonds outstanding June 30, 1906.

As of June 30, 1916, in comparison with December 1, 1896, the total value of rolling equipment and floating equipment in the possession of the Reading Co., including that owned and that leased, had increased from \$18,430,706 to \$54,725,115. A portion of this equipment was pledged under the General Mortgage.

READING IRON CO.

The Reading Co. owns the total (\$1,000,000) capital stock of the Reading Iron Co. 6% annual dividends have been paid regularly on the capital stock of this company; in 1908-9 an extra dividend of \$1,500,000 (150%) was paid, and in 1910-11 an extra dividend of \$1,000,000 (100%) was paid. Several years ago it was made necessary to enlarge, rebuild and modernize the various plants of the Reading Iron Co. to enable it to compete with other companies engaged in similar business. This work involved large expenditures which have been paid for out of the earnings.

The Reading Iron Co. owned on June 30, 1915, a large amount (about \$7,092,200 par value), of the preferred and common stock of the Pennsylvania Steel Co.; the purchase price having been paid for out of the earnings of the company. A large amount of this stock has since been disposed of. The Pennsylvania Co. was also a large stockholder in the Pennsylvania Steel Co. The balance sheet, as of June 30, 1916, of the Reading Iron Co. showed assets amounting to \$17,313,462. The outstanding mortgage bonds, after deducting the Sinking Fund securities deposited with the Trustee, amounted to \$170,138, and the Current Liabilities, with accrued interest and dividends, amounted to \$667,777.

ULSTER & DELAWARE R. R.

See Table, page 89.

During 1913-14, 1914-15 and 1915-16, dividends of 3% each were paid on the stock of this company. No dividends were paid in years prior to 1913-14.

Current Assets on June 30, 1916, were \$526,336 and Current Liabilities were \$97,096. The balance sheet of that date showed \$1,250,000 Sinking Fund Reserves. There was a credit balance to Profit and Loss of \$888,837.

The bonds of this company consist of \$2,000,000 First Consolidated Mortgage 5s due 1928 and \$1,000,000 First Refunding Mortgage 4s due 1952.

In 1915-16 anthracite coal contributed 59.9% of the total freight tonnage, against 55.8% in 1914-15.

This road is laid largely with 90-pound steel rails.

WEST JERSEY SEASHORE R. R.

See Table, page 90.

The guaranteed stock receives 6% per annum in June and December. The common stock received 6% per annum in 1906 and 1907, the dividend rate having been increased in September, 1905, from 5%. Rate reduced to 4% in 1908. In 1909, 4½% was paid. In 1910 and to and including 1916, 5% was paid (April and October).

The Pennsylvania R. R. owned as of December 31, 1915, \$4,904,700 of the common stock and \$45,350 of the guaranteed stock of this company. In 1904, the stockholders subscribed to \$1,264,000 stock, and in 1906 to \$3,425,550 new common stock at par. In August, 1916, stockholders subscribed to new common stock at par to the extent of 2% of their holdings.

The stockholders voted in 1913, to lease the road to the Pennsylvania R. R. for 999 years. The Pennsylvania R. R. agreed to pay a rental sufficient to meet the interest on all bonds, and to pay a dividend of 6% per annum (semi-annually January and July) on stock. The Public Service Commission of New Jersey refused to sanction the proposed lease. The Pennsylvania R. R. carried the case to the New Jersey Court of Appeals, which, however, sustained the action of the Public Service Commission.

The following appropriations have been made from surplus earnings account of Extraordinary Expenditures:

1902.....	\$463,137	1909.....	\$277,789
1903.....	152,310	1910.....	243,193
1904.....	331,254	1911.....	221,615
1905.....	332,990	1912.....	327,007
1908.....	78,200	1914.....	182,750

Of the total gross revenue in 1915, freight traffic contributed only \$2,279,818 (33%).

All of this company's bonds bear interest at 3½% and 4%. The company's Consolidated Mortgage (authorized in 1896) is for \$7,000,000. \$6,373,000 bonds under this mortgage (including \$2,048,000 3½s) are outstanding.

The stockholders in 1915, authorized an increase in common stock to the extent of \$3,000,000 (mostly issued during 1916; see above), and the execution of a mortgage to secure bonds not exceeding \$13,000,000, sufficient bonds to be reserved to retire Consolidated Mortgage bonds at maturity. Bonds will be issued to fund the

floating debt, provide funds to complete the elevation of the railroad through the city of Camden and to provide funds for other purposes.

Current Assets on December 31, 1915, were \$1,192,704, and Current Liabilities were \$1,029,551.

ANN ARBOR R. R.

See Table, page 91.

The preferred stock is entitled to and is limited to non-cumulative dividends of 5% per annum. No dividends had been paid on this stock to January, 1917.

FORMER CONTROL BY D., T. & I. RY.

In 1905 the Detroit, Toledo & Ironton Ry. acquired \$3,010,000 preferred stock (holdings afterwards increased to \$3,102,400) and \$2,190,000 common stock of the Ann Arbor R. R. These two railroads formed what was known as the Detroit, Toledo & Ironton—Ann Arbor System (see following). The Ann Arbor R. R. stock was used as collateral for an issue of 5% Notes of the D., T. & I. Ry.

On February 1, 1907, Receivers were appointed for the Detroit, Toledo & Ironton Ry., that company having defaulted in the payment of interest on its 4½% Consolidated Mortgage bonds. The principal and interest on the Note issue was likewise defaulted.

ANN ARBOR CO.

In 1910, the Ann Arbor stock and other collateral securing \$5,500,000 Detroit, Toledo & Ironton Ry. Notes were sold at auction to a protective committee. In 1911, a holding company was incorporated with a capital of \$7,250,000, to be known as the Ann Arbor Co., to own among other securities the Ann Arbor R. R. stock previously deposited as collateral under the above mentioned Notes. A majority of the railroad stock has been exchanged share for share for preferred and common stock of the Ann Arbor Co.

GENERAL.

The balance sheet of June 30, 1916, showed Current Assets \$612,013, and Liabilities, \$759,188. The corporate surplus was \$1,627,170.

In 1911 the Ann Arbor R. R. authorized a new mortgage to secure an issue of \$10,000,000 Improved and Extension 30-year 5% bonds due 1941, to provide funds to pay for improvements, equipment, etc., and extensions. \$1,500,000 of these bonds were issued to the company and these were deposited as collateral for an issue of \$750,000 6% Three-year Notes, due 1919 (\$618,000 in hands of

public). The proceeds of this Note issue were largely used to retire Notes maturing May 1, 1916.

CHICAGO & ALTON R. R.

See Table, page 92.

DIVIDEND RECORD.

The cumulative prior lien stock is entitled, in addition to prior right to cumulative dividends at the rate of 4% per annum, to receive additional dividends equal to the rate of dividends, if any, declared on the common stock. The prior lien stock received 8% in 1908-9, 6% in 1909-10, 4% in 1910-11 and 1911-12. No dividends have since been paid on this stock. The preferred stock is entitled to non-cumulative dividends at the rate of 4% per annum. The preferred stock received 4% per annum in semi-annual installments, January and July, until July, 1911, when the dividend was passed. In August, 1908, an initial dividend of 1% was paid on the common stock; in 1909, 4% was paid. The dividend on the common stock was passed in February, 1910.

Prior to June 30, 1907, the Chicago, Rock Island & Pacific Ry. had acquired \$6,380,000 preferred stock and \$14,420,000 common stock of the Chicago & Alton R. R. In August, 1907, practically these entire holdings were sold to the Toledo, St. Louis & Western R. R. See under latter company for terms of purchase. On June 30, 1916, the Union Pacific R. R. owned \$10,343,100 preferred stock of the Chicago & Alton R. R. On that date the Union Pacific R. R. also owned \$8,417,000 of the General Mortgage 6% bonds (see a following paragraph) and \$1,096,000 Notes and Equipment Obligations of the Chicago & Alton R. R.

In March, 1906, the consolidation was effected of the old Chicago & Alton R. R. with the Chicago & Alton Ry. under the name of the Chicago & Alton R. R. The stockholders of the Railway, under the consolidation agreement, exchanged their stock, share for share, for the preferred and common stock of the new company. The few shares of stock of the old Railroad, which were in the hands of the public, were exchanged for the cumulative 4% prior lien and participating stock of the new company. Except for the issuance of the latter stock, the capital stock of the new company is the same, in character and amount, as the former Railway stock.

SURPLUS AND MAINTENANCE.

During 1912 \$20,000,000 General Mortgage 6% bonds, due 1932, were authorized. \$16,834,000 of these bonds had been issued to June 30, 1916. One-half of the outstanding bonds are owned by the Union Pacific R. R.

Products of Mines contributed 42.7% of all freight tonnage handled in 1915-16.

The table below indicates the amounts expended annually for Maintenance of Way and of Equipment by the Chicago & Alton R. R. (1906-7 to 1915-16), likewise the surplus or deficit and dividend payments.

Year	Maintenance Expenses	Surplus	Dividend Payments
1906-7.....	\$3,027,379	\$1,827,561	\$817,332
1907-8.....	2,930,677	1,320,912	1,021,153
1908-9.....	2,469,020	1,666,261	1,633,816
1909-10.....	2,990,187	1,071,988	1,225,374
1910-11.....	4,135,915	157,722	408,466
1911-12.....	4,590,668	def. 303,722	35,172
1912-13.....	5,929,145	def. 1,883,291	.....
1913-14.....	5,657,756	def. 2,762,290	.....
1914-15.....	4,982,484	def. 1,690,156	.....
1915-16.....	5,270,352	def. 171,578	.....

FINANCIAL AND GENERAL.

The balance sheet as of June 30, 1916, showed Current Assets (including \$682,846 material and supplies) \$3,990,785, and Current Liabilities \$6,554,834. There was a debit balance to Profit and Loss of \$7,728,619 against a debit balance of \$7,451,023 on June 30, 1915; \$5,715,442 in 1914, \$2,460,291 in 1913, \$324,521 in 1912, and against a credit balance of \$44,592 in 1911, \$256,527 in 1910, \$440,009 in 1909, \$787,976 in 1908, and \$884,011 in 1907.

As of June 30, 1916, main track contained:

51 miles of 100-pound steel,	50 miles of 75-pound steel.
272 miles of 90-pound steel.	85 miles of 70-pound steel.
647 miles of 80-pound steel.	111 miles of 65 to 52-lb. steel.

As of June 30, 1916, the ballast consisted of 642 miles of stone, 170 miles of gravel, 301 miles of cinders, 35 miles of slag, while 57 miles of branch lines were not ballasted.

CHICAGO & EASTERN ILLINOIS R. R.

See Table, page 93.

On May 27, 1913, Receivers were appointed for this company, also for the St. Louis & San Francisco R. R. (which see). See a following paragraph.

The preferred stock is limited to non-cumulative dividends of 6% per annum. Prior to the receivership dividends were paid as follows:

	'04-5	'05-6	'06-7	'07-8	'08-9	'09-10	'10-11	'11-12	'12-13
Preferred % ..	6	6	6	6	6	6	6	6	4½
Common % ...	5	13	10	10	2	8	9½	5	0

During the eleven fiscal years from July 1, 1902, to June 30, 1913, inclusive, the company reported surplus earnings of \$10,984,716; during this period \$11,104,727 was paid in dividends.

CONTROL BY THE "FRISCO."

On *June 30, 1915*, the St. Louis & San Francisco R. R. held a majority (\$8,102,500) of the preferred and \$6,777,800 of the common stock of this company. This stock was acquired under an offer made in 1902 by the "Frisco" to give a \$100 preferred stock trust certificate bearing 6% interest for each \$100 share of preferred stock and a \$100 common stock trust certificate bearing 10% interest for each \$100 share of common stock. The "Frisco" agreed to pay \$150 in gold for the preferred stock trust certificates and \$250 in gold for the common stock certificates, on or before July 1, 1942. Interest on the stock certificates was defaulted July, 1913, following the appointment of Receivers for the "Frisco." It was announced in 1916 that the "Frisco" would relinquish its interest in the Chicago & Eastern Illinois R. R. The holders of the Certificates will receive the C. & E. I. R. R. stock deposited as collateral. The preferred certificate holders will also receive \$18 in "Frisco" new preferred and \$2.50 in common stock. The common certificate holders will likewise receive "Frisco" stock to the amount of \$30 in new 6% preferred and \$4.25 in new common.

ACQUISITION OF E. & T. H. R. R.

In 1904-5 and later, the Chicago & Eastern Illinois R. R. acquired \$3,186,450 of the \$3,987,383 common stock of the Evansville & Terre Haute R. R. In 1911 this company and the Evansville Belt R. R. were merged into the C. & E. I. System. The holders of Evansville & Terre Haute R. R. common stock (\$3,987,383) and of Evansville Belt R. R. stock were offered 83⅓% and 100% respectively, in C. & E. I. preferred stock; this offer calling for the issuance of \$3,216,000 C. & E. I. preferred stock. Holders of Evansville & Terre Haute R. R. preferred stock (\$1,283,333) were offered in exchange par in Evansville & Terre Haute R. R. Refunding Mortgage 5% bonds (a new bond issue, limited to \$1,284,000 bonds).

Dividends at the rate of 5% per annum had been paid on the Evansville & Terre Haute R. R. preferred stock since 1900. 5% was paid on the common in 1910-11, and 4% was paid from 1905-6 to 1909-10 inclusive. The Evansville & Terre Haute R. R. owned and transferred to the C. & E. I. R. R. the entire \$2,000,000 stock of the Evansville & Indianapolis R. R. (146 miles). The \$2,500,000 6% bonds of the latter bear the guarantee of the Evansville & Terre Haute R. R. In May, 1916, the Chicago & Eastern Illinois R. R. relinquished control of the Evansville & Indianapolis R. R. The latter company will be reorganized and operated separately.

RECEIVERSHIP OF COMPANY.

As previously stated a Receiver was appointed for the company May 27, 1913. There was a floating debt at that time of about \$5,000,000. On July 1, 1914, interest was defaulted on the \$18,019,000

Refunding and Improvement 4% bonds, on \$4,626,000 Chicago & Indiana Coal Ry. 5% bonds and on \$2,500,000 First Mortgage and Consolidated 6% (assumed) bonds of the Evansville & Indianapolis R. R. Subsequently interest was defaulted on all of the various outstanding issues of bonds, including assumed bonds. On June 22, 1915, the Receiver (Wm. J. Jackson) entered into an agreement with the holders of \$4,302,000 Equipment Certificates for an extension for three years at $5\frac{1}{2}\%$. The Equipment Certificates were, by order of the Court, given a lien, superior to all mortgages, on all of the property of the company, except the coal properties, the Evansville & Indianapolis Ry., and the properties operated by the Evansville & Terre Haute R. R. prior to its merger with the Chicago & Eastern Illinois R. R.

\$6,200,000 6% Receiver's Certificates, due July 1, 1917, were outstanding December 31, 1916. No plan of reorganization had been announced to December 31, 1916.

GENERAL.

Main, second and third track (owned or leased), June 30, 1916, contained:

46 miles of 100-pound steel,	39 miles of 70 to 75-lb. steel,
210 miles of 90-pound steel,	103 miles of 65 and 67-lb. steel,
250 miles of 85-pound steel,	195 miles of 60-pound steel,
326 miles of 80-pound steel,	30 miles of lighter rail.

In 1905-6, \$6,000,000 4% bonds of a new issue, the Refunding and Improvement Mortgage, were sold. To June 30, 1916, there had been issued \$18,019,000 of these bonds. The total amount of bonds authorized under this mortgage is \$55,000,000, of which \$34,626,000 are reserved to retire prior bonds. Interest on these bonds was defaulted July 1, 1914.

Under date of February 1, 1912, there were authorized \$7,000,000 5% Purchase Money First Lien Coal bonds, due 1942. \$5,167,000 of these bonds were sold in 1911-12 and 1912-13, and the proceeds from the sale thereof used to acquire coal mines and lands. Interest on these bonds was defaulted February 1, 1915.

Prior to June 30, 1913, the Chicago & Eastern Illinois R. R. purchased at a cost of \$2,345,167, \$4,459,000 of the \$4,512,000 bonds, \$3,800,600 of the \$5,000,000 stock and \$323,000 of claims against the Dering Coal Co. The Coal Co. was operated by a Receiver. The property comprises 18,645 acres of coal lands and coal rights containing 150,000,000 tons of coal. The securities of the Coal Co. were pledged as collateral for Loans Payable. These securities have subsequently been sold to a committee formed to represent holders of Loans Payable.

On June 30, 1916, Current Assets (including \$1,455,277 material and supplies) were \$5,246,981, and Current Liabilities were \$7,136,328; this including \$5,025,491 loans and bills payable.

Bituminous coal contributed 52% of the tonnage carried in 1915-16.

CHICAGO & NORTHWESTERN RY.

See Table, page 94.

The preferred stock is entitled to non-cumulative dividends of 7% per annum. After the common has received 7% the preferred receives 3% additional. After 10% has been paid on the common, both issues share alike. Preferred and common dividends are payable quarterly, January. For years the preferred stock has received 8% and the common 7%.

The Chicago & Northwestern Ry. as of June 30, 1916, owned \$9,540,000 common stock and \$5,380,000 preferred stock of the Chicago, St. Paul, Minneapolis & Omaha Ry. These stocks were carried (June 30, 1916) at a valuation of \$10,337,152.

On June 30, 1916, the Chicago & Northwestern Ry. owned \$4,171,500 preferred stock of the Union Pacific R. R. This stock (acquired 1906) was carried at a valuation of \$3,910,576.

On June 30, 1916, the Oregon Shore Line R. R. (Union Pacific System) owned \$4,018,700 common stock of the Chicago & Northwestern Ry.

COMMON STOCK SOLD BY COMPANY.

In 1903, stockholders subscribed to \$9,226,110 common stock at par; in 1905, to \$10,609,200 additional stock at par and in 1906 to \$16,267,400 at par, raising the amount outstanding to \$75,217,300. In 1906, the authorized issue of common stock was increased to \$177,604,800, so that the entire capital stock (including the existing preferred stock) would be \$200,000,000. In 1907, \$24,401,625 common stock was sold at par to stockholders, raising the total amount of common stock outstanding to \$99,612,339. In 1910, stockholders subscribed at par for common stock to the extent of 25% of their holdings. This issue of stock raised the amount of common stock outstanding to \$130,117,029, of which over \$90,000,000 or 69% was sold at par for cash in a period of seven years.

BONDS.

During the years 1907-8 to 1910-11, inclusive, \$21,602,000 bonds and debentures matured, bearing interest of from 5% to 7%. No bonds matured in 1911-12, 1912-13 and 1913-14. On February 1, 1915, \$12,832,000 7% bonds matured, and in 1915-16, \$2,462,000, 7% bonds were retired. The refunding of these high interest bearing bonds through the issue of 4% and 5% bonds has enabled the company to save large amounts in interest.

In 1915-16, \$7,972,000 General Mortgage 5% bonds, due 1987, were sold. Bonds under the General Mortgage held by the public as of June 30, 1916, consisted of \$30,817,000 3½s, \$30,554,000 4s, and \$17,972,000 5s. \$68,803,000 additional bonds were as of June 30, 1916,

reserved to be issued for refunding purposes. The authorized issue is \$165,000,000.

On June 30, 1916, \$3,618,000 bonds were held in Sinking Fund and \$3,391,000 were owned by the company.

Other important bond issues during recent years have been: (1) \$15,000,000 Milwaukee, Sparta & Northwestern Ry. 4% due 1941 (issued to cover cost of 178 miles cut-off); (2) \$2,500,000 Des Plaines Valley Ry. First Mortgage 4½% due 1947; (3) \$1,120,000 St. Paul Eastern Grand Trunk Ry. 4½% due 1947 (to redeem 6% bonds); (4) \$10,000,000 St. Louis, Peoria & Northwestern Ry. First Mortgage 5% bonds due 1948 (to provide funds for construction of 115 miles line from Peoria, Ill., southward to coal fields in southern Illinois.

CHICAGO TERMINAL.

In 1911, the Chicago & Northwestern Ry. completed extensive new terminals in Chicago, at a cost of \$21,127,577.

GENERAL.

Early in 1911, the "Northwestern" acquired 20% of the outstanding capital stock of the Indiana Harbor Belt R. R. (See that company.)

The total acres remaining in the several land grants June 30, 1916, amounted to 305,323 acres. Sales for the fiscal year 1915-16 totaled \$107,526.

On June 30, 1916, Current Assets were \$25,764,206 and Current Liabilities were \$11,506,449.

See under Chicago, St. Paul, Minneapolis & Omaha Ry.

CHICAGO, BURLINGTON & QUINCY R. R.

See Table, page 95.

In 1901 this road was leased to the Chicago, Burlington & Quincy Ry. for 999 years from October, 1901, at 7% per annum on the stock. This lease was abrogated on July 1, 1907, the Railroad Company resuming operation. In October, 1907, a quarterly dividend of 2% was paid and an extra dividend of 6%. In January, 1908, a quarterly dividend of 2% was paid, and the annual rate of 8% has since been maintained.

CONTROL OF "BURLINGTON."

In 1901, the Great Northern Ry. and Northern Pacific Ry. acquired \$107,611,600 of the Chicago, Burlington & Quincy R. R. stock (\$110,839,100 outstanding) in exchange for their joint 20-year 4% gold bonds, secured by the deposit of the stock in trust, on the basis of \$200 in bonds for each \$100 in stock. In 1915-16 only about \$258,000 was paid in dividends on stock not deposited as the collateral for Northern Pacific—Great Northern joint bonds. An additional \$1,496,300 Burlington stock is held by the Northern Securities Co., and \$49,600 stock is held by the Northern Pacific Ry.

BONDS.

In 1905, there was authorized an issue of Illinois Division bonds, which latter bonds (\$85,000,000 outstanding, of which \$50,835,000 are 3½s, and the balance 4s) are now an absolute first mortgage on the company's terminals in Chicago and on all lines and terminals east of the Mississippi River (1,647 miles).

To June 30, 1916, there had been purchased and kept alive for the Sinking Fund \$23,074,600 bonds (including \$12,770,800 6% bonds due July, 1918), while fully \$16,800,000 bonds had been purchased and cancelled (\$540,000 in 1915-16).

A General Mortgage was created in 1908 under which bonds were authorized to the extent of \$300,000,000, bearing interest at a rate of not to exceed 5% per annum. These bonds are a first lien on 3,327 miles of road, and on retirement of outstanding underlying bonds will be a first mortgage on the entire mileage owned (8,491 miles). The bonds mature in 1958 and have been issued or are issuable for the following purposes:

Reserve to retire underlying bonds aggregating \$167,565,000 (of which \$17,428,300 were held in Sinking Funds), and for expense of same.....	\$177,000,000
Issuable to reimburse the company for outlays already made by it for betterments and additions.....	45,000,000
Issuable for additions, improvements and betterments on the mortgaged property.....	78,000,000
	<hr/>
	\$300,000,000

\$16,000,000 of these bonds bearing interest at 4% per annum were sold in 1907-8, and \$24,522,000 bonds were sold in 1908-9 (including \$13,724,000 to purchase \$23,657,500 common stock of the Colorado & Southern Ry.) In 1909-10, \$13,158,000 of the bonds were issued, of which \$5,639,000 were issued for Colorado & Southern Ry. stock deposited with Trustee in 1910-11, 1911-12, 1912-13, 1913-14 and 1914-15, \$6,043,000, \$1,928,000, \$6,983,000, \$1,231,000 and \$255,000 bonds respectively were issued to refund other bonds. In 1913-14 an additional \$5,000,000 of these bonds were sold to cover the cost of improvements, etc. The total amount of these bonds outstanding on June 30, 1916 was \$75,120,000, of which \$9,873,000 were in the treasury of the company.

In February, 1916, the Chicago Union Station Co. sold \$30,000,000 of an authorized issue of \$60,000,000 First Mortgage 4½% bonds due 1963, guaranteed principal and interest by the Burlington, "St. Paul," Pennsylvania R. R. and Pennsylvania Co.

In December, 1915, the Paducah & Illinois Bridge Co. sold \$3,500,000 First Mortgage 4½% Sinking Funds bonds guaranteed principal and interest by the Burlington and the Nashville, Chattanooga & St. Louis Ry.

GENERAL.

The general balance sheet of June 30, 1916, showed the following items among the liabilities:

Appropriated Surplus—Additions to Property through	
Income since June 30, 1907.....	\$35,102,227
Appropriated Surplus—Invested in Sinking Funds.....	23,825,069
Not Specifically Invested.....	9,556,893
Funded Debt Retired through Income.....	15,177,229
Profit and Loss.....	105,088,277
	<hr/>
	\$188,749,695

In 1909, it was announced that the "Burlington" had purchased control of the Colorado & Southern Ry. (See that company.)

As of *June 30, 1915*, the "Burlington" owned stock of the Colorado & Southern Ry. as follows: First preferred, \$1,130,000; second preferred, \$6,078,700; common \$23,667,000.

On June 30, 1916, Current Assets (including \$6,345,222 materials and supplies and \$15,200,768 cash), were \$44,336,531, and Current Liabilities were \$11,219,105.

During recent years the following deductions have been made from surplus earnings for improvements, betterments, etc.:

1907-8.....	\$3,225,994	1912-13.....	\$7,647,743
1908-9.....	2,237,081	1913-14.....	5,715,875
1909-10.....	3,329,006	1914-15.....	3,340,669
1910-11.....	4,826,755	1915-16.....	4,431,360
1911-12.....	3,944,216		

Products of Mines contributed 39.6% of the total freight tonnage handled in 1915-16.

CHICAGO GREAT WESTERN R. R.

See Table, page 96.

HISTORY OF RECEIVERSHIP.

The interest due January 15, 1908, on the old Debenture stock (entitled to 4% per annum) was deferred, the company having been placed in the hands of Receivers on January 8, 1908. As of the latter date Notes and Bills Payable outstanding amounted to \$10,653,414, and it was stated that the company was indebted in other ways and was unable to meet its obligations. A Plan of Reorganization was adopted (see below).

In addition to the Debenture Stock, the old company had outstanding \$11,336,900 preferred "A" stock, which was limited to non-cumulative dividends of 5% per annum. The preferred stock B (\$23,051,942 outstanding) was entitled to and was limited to non-cumulative dividends of 4% per annum. The preferred stock A received the full 5% for over four years to 1904, when the dividend was passed. In 1906, dividends were resumed. In 1907, the dividend was passed.

No dividends were paid by the old company upon the preferred B stock and the common stock.

PLAN OF REORGANIZATION.

The Plan of Reorganization called for the organization of a new company. Debenture stock received 110% in new preferred stock. The old preferred "A" stock received 120% in new common stock. The preferred "B" and common stocks were assessed \$15 per share, receiving \$15 each in new preferred stock and \$60 and \$40 respectively in new common stock.

The new company, the Chicago Great Western R. R., authorized securities (including those mentioned above) as follows:

(1) Preferred stock (4%), to an aggregate amount of \$50,000,000, of which \$41,021,402 was used for the purpose of the Plan (as above), and the remainder is to be used as from time to time shall be determined by the Board of Directors. The dividends on this stock have become cumulative since June 30, 1914, and are limited to 4% per annum. An initial dividend of 1% was paid on this stock December 1, 1915, 1% was paid in May, 1916, and 1% in October, 1916.

(2) Common stock to an aggregate amount of \$46,000,000, of which \$45,245,613 was used for the purposes of the Plan.

(3) The new company authorized an issue of \$75,000,000 First Mortgage 4% bonds, dated September 1, 1909, and due September 1, 1959. Of this amount \$25,383,000 were in the hands of the public June 30, 1916. An amount not exceeding \$18,232,000 of bonds was reserved to take up bonds of the subsidiary companies (viz. \$12,000,000 4% bonds of Mason City & Ft. Dodge R. R., due 1955 and \$6,232,000 4% bonds of the Wisconsin, Minnesota & Pacific R. R., due 1950); and the remainder of the authorized issue was reserved for extensions, improvements, new construction, shares of other companies, etc. The entire stocks of these subsidiary companies and the leases of their road are covered by this new mortgage, as is the entire property of the former Chicago, Great Western Ry. proper, including road, terminals, equipment, etc.

A syndicate headed by J. P. Morgan & Co. agreed to furnish the company with \$24,892,274 in cash and received for this cash \$18,500,000 4% bonds, \$10,136,604 preferred stock and \$31,641,333 common stock; the stocks mentioned were offered for sale by the bankers to the holders of the common and preferred stocks upon deposit of their shares and payment of \$10,136,604 assessment according to the terms mentioned in the Plan. The Syndicate subsequently offered the bonds at 92 and interest.

The company reported on June 30, 1916, Current Assets of \$4,820,451 (including \$2,238,586 cash), and Current Liabilities of \$2,039,541.

MASON CITY & FORT DODGE R. R.

All the stock of the Mason City & Fort Dodge R. R. (acquired 1901) is now owned and held in the treasury of the Chicago Great Western R. R. The road is 375 miles in length. The "Great Western" operates the lines, as lessee, under an agreement running until 2001, which provides, among other things, that the Mason City & Fort Dodge R. R. shall receive 60% of all earnings from business interchanged, any surplus after the payment of interest on bonds to be paid over to the parent company, as the owner of all its stock. To the extent of such surplus, the latter guarantees the future payment of the interest on the \$12,000,000 4% bonds, due 1955, of the issuing company.

WISCONSIN, MINNESOTA & PACIFIC R. R.

The Wisconsin, Minnesota & Pacific R. R. owns a line from Winona to Mankato, Minn., with a branch, Rochester, Minn., to Osage, Ia., 277 miles. All of its stock is now owned and held in the treasury of the "Great Western," which formerly operated this road as lessee, under an Agreement dated April 1, 1901, which provided, as in the case of the Mason City & Fort Dodge R. R., that the surplus earnings should be paid over to the parent company, as the owner of all the stock of the W., M. & P. R. R., the parent company guaranteeing the future payment of the interest on the bonds of the latter to the extent of such surplus. As the net earnings of the W., M. & P. R. R., during 1912, were insufficient to meet, the interest on its \$6,232,000 First Mortgage bonds, the coupon due October 1, 1912, was not paid by the company. In July, 1913, the Great Western offered to the holders of these bonds 50% in its own 4% First Mortgage bonds and 50% in preferred stock together with cash in payment of all defaulted coupons with accrued interest. Practically all of the bonds were thus exchanged.

CHICAGO, INDIANAPOLIS & LOUISVILLE RY.

See Table, page 97.

The preferred stock is limited to non-cumulative dividends of 4% per annum.

Dividends have been paid on both classes of stock as follows (dividends payable June and December):

	1902	'03 & '04	'05 to '08	'09 to '13	'14 & '15	16
Preferred %..	4	4	4 yearly	4 yearly	4 yearly	4
Common %..	1	2½	3 yearly	3¼ yearly	0	3¼

Dividend payments on the common stock were resumed June, 1916, by payment of 3¼% for year 1915-16.

In 1902, the Louisville & Nashville R. R. and the Southern Ry. acquired 92½% of the common stock and 77% of the preferred

stock on the basis of \$78 and \$90 per \$100 share, respectively, in their joint 50-year 4% Collateral Trust Gold bonds at par secured by the stock acquired.

This company guarantees by indorsement, principal and interest, the \$1,650,000 4% bonds of the Indianapolis & Louisville Ry. (see below); also \$253,000 5% bonds of the Indiana Stone R. R. jointly and severally with the Baltimore & Ohio R. R. and the Southern Ry. This company guarantees principal and interest \$6,282,781 First Mortgage 4½% bonds due 1961 of the Kentucky & Indiana Terminal R. R. The Chicago, Indianapolis & Louisville Ry. also guarantees the interest only, on the First Mortgage Sinking Fund 5% bonds (\$2,875,000, due 1936) of the Monon Coal Co.

The Kentucky & Indiana Terminal R. R. operates a new double-track bridge across the Ohio River between New Albany, Ind., and Louisville, Ky., etc. The property is leased for 99 years by the Chicago, Indianapolis & Louisville Ry., Baltimore & Ohio R. R., and Southern Ry., which companies together own in equal parts the entire capital stock of the company.

In 1914, the Chicago, Indianapolis & Louisville Ry. purchased the Chicago & Wabash Valley R. R. extending from McCoysbury to Dinwiddie, Ind. (36 miles). This line is to be extended an additional 6 miles. To pay for this railroad line and for other purposes the Chicago, Indianapolis & Louisville Ry. authorized and issued \$1,500,000 General Mortgage 5% bonds due July 1, 1919. (Issued 1916, see next paragraph.)

In 1916, the First and General Mortgage was authorized. Bonds will bear interest at not exceeding 6% per annum, will mature 1966 and will be limited to the amount of \$40,000,000. \$3,250,000 of the bonds bearing interest at 5% were sold in 1916, a portion of the proceeds being used to retire \$1,500,000 General Mortgage bonds.

It was stated in the annual report of this company that the annual average investment in the property for the five years 1911-12 to 1915-16, amounted to \$39,337,945; the average annual income for the period was \$1,035,823, equal to 2.63% on the investment (2.97% in 1915-16).

Products of Mines (largely bituminous coal, stone, sand, etc.) have contributed a large proportion of the freight tonnage carried, viz.:

'15-16	'14-15	'13-14	'12-13	'11-12	'10-11	'09-10	'08-9
55.2%	55.8%	52.3%	50.1%	48.3%	46.1%	46.2%	47%

On June 30, 1916, Current Assets (including \$471,861 materials and supplies) amounted to \$1,553,812, and Current Liabilities amounted to \$2,509,556. Corporate Surplus was \$2,596,457.

CHICAGO, MILWAUKEE & ST. PAUL RY.

See Table, page 98.

After the payment of 7% on both preferred and common stock both issues share alike. The preferred stock (having priority to 7% per annum) is receiving 7%, and the common received 7% until March, 1912, when the dividend rate was reduced to 5%. In September, 1915, there was a further reduction in the dividend rate to 4% per annum. In March, 1916, the rate was again increased to 5% per annum.

Dividends have been paid in recent years as follows:

		payable	'97-'00	'01	'02-'11	'12-'14	'15	'16
On Common	%	(M. & S.)..	5 yearly	6	7 yearly	5	4½	5
On Preferred	%	(M. & S.)..	7 yearly	7	7 yearly	7	7	7

STOCK SOLD BY COMPANY.

Early in 1906 \$25,000,000 new stock was subscribed for at par by stockholders. Stockholders in December, 1906, were given the privilege to subscribe at par for \$66,328,500 preferred stock and \$33,164,300 common stock, each stockholder being entitled to subscribe for an amount of new preferred stock and new common stock, equal at par value to 50% and 25% respectively, of the par value of all the shares of stock both preferred and common, (stock paid for in seven installments; final payment March, 1909). The company paid interest at the rate of 5% per annum on installments received.

About \$40,000,000 of the outstanding preferred stock has been issued in exchange for old issues of 7% Convertible bonds and the balance has been sold for cash.

PACIFIC EXTENSION.

The proceeds from the sale of stock, as above, were used by the company for the most part, in acquiring "a line of railroad with the necessary terminals, branches, facilities and equipment, to connect with its present line of railroad and to form an extension thereof from its present western terminus to the Pacific Ocean." The main line extending from the Missouri River to Seattle and Tacoma was completed in 1909. A large number of additional branch lines were completed prior to 1913. The Pacific Extension was operated by the Chicago, Milwaukee & Puget Sound Ry., until January 1, 1913, when the latter was merged into the St. Paul System. This company authorized \$200,000,000 First Mortgage 4% bonds due 1949, of which \$27,175,000 have been sold. These bonds are now a direct obligation of the "St. Paul." An additional \$154,489,500 were turned over to the "St. Paul," and are now deposited under that company's General and Refunding Mortgage (see following): The Puget Sound Line paid 2.7% dividends in 1909 and 2.3% in 1910-11. No dividends were paid

in 1911-12. The earnings of the Chicago, Milwaukee & Puget Sound Ry. while operated separately were as follows:

Year	Avg. Miles Operated	Gross	Surplus
*1909-10.....	1,434	\$10,765,704	\$2,255,440
1910-11.....	1,917	14,516,367	2,772,197
1911-12.....	2,059	16,132,612	†151,538

**Eleven months only (August 1, 1909, to June 30, 1910) †Deficit.*

BONDS.

In 1909, the "St. Paul" authorized \$50,000,000 25-year 4% debentures, \$33,286,000 of which were outstanding June 30, 1916. The proceeds derived from the sale of these debentures were used chiefly to construct branch lines in connection with the Pacific Extension. These debentures together with \$48,176,655 4% debentures, due June 1, 1925 (sold in France) are now secured by the General and Refunding mortgage (see following). The debentures sold in France have been mostly acquired by American Bankers and deposited as collateral for a like amount of bonds issuable in U. S. Gold (\$30,568,470 to June 30, 1916).

Profit and Loss Account was debited in 1910-11, \$7,768,201, representing Discount, Commission and Expenses, in connection with the sale of the two issues of debentures mentioned above.

The company's General Mortgage (authorized 1889), has provided for the refunding of a large amount of underlying bonds bearing high rates of interest. To June 30, 1916, General Mortgage bonds had been issued as follows:

4½% bonds in hands of public.....	\$42,597,000
4% bonds in hands of public.....	48,241,000
3½% bonds in hands of public.....	8,950,000
In treasury of the company.....	159,000

Total outstanding \$99,947,000

The balance of the authorized issue of \$150,000,000 is reserved to take up prior lien bonds.

In 1913, stockholders authorized a General and Refunding Mortgage. This is an open mortgage; when the bonds issued thereunder, bearing interest not in excess of 6% per annum, reach a total of \$696,000,000 further issues must be limited to 75% the cost of property placed under the mortgage. The "St. Paul's" Convertible issues and the debentures are secured under this mortgage. \$18,089,000 of these bonds, bearing interest at 4½% per annum were sold in 1914, and \$29,089,700, bearing interest at 5% per annum, were sold in 1915 to stockholders, at par. Both issues mature 2014. The 5% bonds are convertible into common stock at par until February 1, 1926. A total of \$132,259,200

General and Refunding Mortgage bonds were in the Company's treasury or certified by the Trustee, June 30, 1916. \$25,000,000 additional General and Refunding bonds were sold in February, 1917.

In February, 1916, an issue of \$30,000,000 First Mortgage 4½% bonds due 1963 of the Chicago Union Station Co. were issued bearing the guarantee of the Chicago, Milwaukee & St. Paul Ry., the Chicago, Burlington & Quincy R. R., the Pennsylvania Co. and the "Pan Handle."

CONVERTIBLE BONDS.

Stockholders in 1912. subscribed for new convertible 4½% bonds to the extent of 15% of their respective holdings. Likewise stockholders in 1913 subscribed to these convertibles to the extent of 6% of their holdings. These bonds (of which \$49,980,800 were issued) will mature June 1, 1932, but may be converted at par into common stock after June 1, 1917, and prior to June 1, 1922, at the option of the holders. At the option of the company they are redeemable at 105% and interest after June 1, 1922.

GENERAL.

The balance sheet of June 30, 1916, showed among the assets (Property Investment) of the company, \$30,795,010, representing advances to controlled companies, and \$10,666,767, representing bonds and stocks of controlled companies. Working Assets, including \$12,635,516 cash and \$9,275,277 Material and Supplies, were \$28,977,245, while Working and Accrued Liabilities were \$10,343,641. There was a credit balance to Profit and Loss of \$38,749,292.

The "St. Paul" in April, 1914, commenced the electrification of about 450 miles of the Puget Sound line. 113 miles of the line were ready for full electric operation in December, 1915.

CHICAGO, PEORIA & ST. LOUIS R. R.

See Table, page 99.

This railway extends from Peoria, Ill., via Springfield, Alton and Granite City to St. Louis. this (205 miles), with branches (50 miles).

The company is the successor to the Chicago, Peoria & St. Louis Ry., sold under foreclosure, November 18, 1912. Under this plan the \$2,000,000 Prior Lien 4½% bonds, due 1930, of the Railway remained undisturbed. The \$2,000,000 5% Consolidated Mortgage bonds, which were in default, were exchanged for 50% in General and Refunding 4½% bonds (see following), on which the interest for six years was fixed at 3% for six years, and 62½% in stock; Equipment bonds were exchanged dollar for dollar for General and Refunding 4½s; Income bonds were assessed 10% receiving 10% in the General and Refunding bonds and 40% in stock. Preferred and common stockholders paid \$7 and \$3 respectively and received \$7 and \$3 in the 4½% bonds and \$24.50 and \$9 in new stock. Holders of Income bonds, preferred and common stock, who did not pay assessments received for each

\$100 security respectively \$6, \$4 and \$2 in new stock. \$2,850,000 of the General and Refunding Mortgage bonds were outstanding June 30, 1916.

In July, 1914, the property again passed into the hands of Receivers. Coupons due June, 1914, and subsequent coupons on the First and Refunding Mortgage were defaulted, likewise interest was defaulted on the Prior Lien bonds September, 1915. No Reorganization Plan had been issued to January, 1917.

The Receivers' balance sheet as of June 30, 1916, showed Current Assets, \$350,253; Current Liabilities, \$418,864. The Company's balance sheet showed Current Assets, \$4,612; Current Liabilities, \$495,211.

Products of Mines, principally bituminous coal, contributed 42.5% of the freight tonnage for 1915-16.

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RY.

See Table, page 100.

The preferred stock has a prior right to dividends up to 7% per annum. The common cannot receive more than is paid on the preferred. The preferred is receiving 7% and the common 7% payable semi-annually in February and August. The rate of dividends on the common was raised in August, 1902, from 5% to 6%, and again in February, 1905, to 7%.

As of June 30, 1916, the Chicago & Northwestern Ry. owned 149,200 shares of "Omaha" common and preferred stock carried at a valuation of \$10,337,152. The stock was mostly acquired in 1883.

There was owned and unsold June 30, 1916, 70,451 acres of land. The net income from all grants for 1915-16 was \$3,336.

To June 30, 1916, there had been sold \$3,734,000 Consolidated Mortgage bonds, the interest on which had been reduced from 6% to 3½%. All the bonds of the company mature between May 1, 1918, and June 1, 1930, and, with the exception of the 3½% bonds referred to, they all bear interest at 5% and 6%.

In 1912, \$15,000,000 5% Debenture gold bonds of 1930 were authorized, of which amount \$11,200,000 have been sold.

As of June 30, 1916, Current Assets (including \$1,094,582 material and Supplies) were \$4,831,220 and Current Liabilities were \$3,306,908.

CHICAGO, TERRE HAUTE & SOUTHEASTERN RY.

See Table, page 101.

The Chicago, Terre Haute & Southeastern Ry. was incorporated in 1910 as successor to the Southern Indiana Ry. and Chicago Southern Ry. A receiver for the latter two companies

had been appointed, default having been made on various issues of notes and bonds then outstanding. The Southern Indiana Ry. operated the section of the existing line which extends from Humrick (on the Indiana-Illinois line) *via* Terre Haute, Bedford and Seymour to Westport, Ind. (mileage including branches, about 228 miles). The Chicago Southern Ry. operated the Chicago Division, Humrick, Ill., to Chicago Heights, Ill. (114 miles).

Cash for reorganization purposes was raised by the sale of \$2,500,000 C. T. H. & S. E. First and Refunding Mortgage 50-year 5% bonds (\$20,000,000 authorized, of which \$7,887,000 are reserved to retire underlying bonds, and the balance for additions and betterments, etc.). Additional First and Refunding bonds were later sold, making the total amount outstanding June 30, 1916, \$4,244,000. An additional \$1,979,000 of these bonds were as of June 30, 1916, pledged as security for \$1,480,000 Loans.

The Plan of Reorganization called for the issue of \$6,500,000 (voting) Income bonds, bearing interest at 4% per annum to December 1, 1912, and 5% cumulative thereafter; and \$5,500,000 stock. Holders of Southern Indiana Ry. General Mortgage bonds received for each \$1,000 bond, \$850 in new Income bonds and \$400 in new stock. Holders of Collateral bonds and First Mortgage bonds of the Chicago Southern Ry. received for each \$1,000 bond, \$700 in Income bonds, and \$400 in new stock. Holders of "Syndicate Certificates" received 42% in Income bonds and 58% in stock. The old stocks of the Southern Indiana Ry. and Chicago Southern Ry. were wiped out.

1% was paid on the Income bonds in September, 1911; 2% in 1912 and 2¼% in 1913. No interest has since been paid. These Income bonds have voting power—one vote for each \$100 Income bond—and are subject to call at par on three months' notice.

This company uses 12.47 miles of the Baltimore & Ohio Chicago Terminal R. R. under trackage rights only.

To December, 1916, passenger service had not been established between Chicago and Terre Haute.

The balance sheet as of June 30, 1916, showed Current Assets \$763,392, and Working and Accrued Liabilities \$452,023.

Products of Mines (mostly bituminous coal) contributed 90.4% of all freight tonnage handled.

CINCINNATI, HAMILTON & DAYTON RY.

See Table, page 102.

Only July 2, 1914, Receivers were appointed for this company, interest having been defaulted on the 5% bonds of the Indiana, Decatur & Western Ry. and the 4% bonds of the Cincinnati, Indianapolis & Western Ry. Subsequently interest was defaulted on various other obligations of the Cincinnati, Hamilton & Dayton Ry. See a later paragraph regarding reorganization.

HISTORY.

The statistics given on the statistical page of this book include the operations of the following: (1) Cincinnati, Hamilton & Dayton Ry. (2) Dayton & Michigan R. R. (3) Home Ave. R. R. (4) Columbus, Findlay & Northern R. R. (5) Bowling Green R. R. (6) Piqua & Troy Branch R. R. (7) Cincinnati & Dayton Ry.

In 1904 the C. H. & D. Ry. acquired a large amount of common and preferred stock of the Pere Marquette R. R. and leased the latter for 999 years, the lease providing for guaranteed dividends at the rate of 4% and 5% respectively on the company's preferred and common stock.

In 1905, Judson Harmon was appointed Receiver of this company, as well as of the Pere Marquette R. R. (which see). and in 1906, the Court authorized the Receiver to declare the lease void. All questions between the two companies to be settled by arbitration. In 1909, the Receiver for the C. H. & D. Ry. was discharged and the company resumed possession of the road without foreclosure (see below).

\$11,000,000 common stock of the Pere Marquette R. R. was sold in 1911, by the C. H. & D. Ry. to J. P. Morgan & Co. The loss to the C. H. & D. Ry. account of this sale amounted to \$11,220,000, a sum equal to \$102 per share. This loss was debited to Profit and Loss.

Practically all outstanding 5% and 4% preferred stock was purchased by the C. H. & D. Ry., at \$110 and \$100 per share, respectively. In 1904-5, the C. H. & D. Ry. sold \$15,000,000 Gold Collateral 4½% Notes due 1908, the funds being used to purchase the Pere Marquette stocks, C. H. & D. preferred stocks, etc. The interest on these Notes was defaulted in 1906. Interest on several issues of bonds was also defaulted in 1908, but was paid with interest in 1909. As a part of the Plan of Readjustment the \$7,751,425 preferred stock was cancelled and the Notes were exchanged for General Mortgage bonds.

In September, 1905, the Erie R. R. arranged to acquire control by purchase through J. P. Morgan & Co., of about \$5,000,000 stock of the C. H. & D. Ry., but the obligations of the company, under leases and other contracts, being found unduly heavy, J. P. Morgan & Co., in November, 1905, relieved the Erie R. R. of its purchase. In 1909, it was announced that the C. H. & D. Ry. would be acquired by the Baltimore & Ohio R. R.

GUARANTEED NOTES.

On July 1, 1913, \$11,557,000 5½-year Purchase Money 4% Notes matured. These \$11,557,000 Notes were secured by \$13,000,000 First and Refunding 4% bonds (see following), and were guaranteed, principal and interest, by the Baltimore & Ohio R. R. They were acquired by that company at maturity.

CURRENT ASSETS AND LIABILITIES.

The balance sheet as of June 30, 1916 (not including Cincinnati, Findlay & Ft. Wayne Ry. and Cincinnati, Indianapolis & Western Ry.), showed Current Assets \$3,542,985 and Current Liabilities of \$21,001,019. Current liabilities did not include \$10,615,137 non-negotiable debt due to affiliated companies (mostly due the B. & O. R. R. for advances). There was a debit balance to Profit and Loss of \$34,106,057, as against \$10,582,325 in 1909-10.

As of December 31, 1915, main track continued:

85 miles of 90-pound steel	45 miles of 70-pound steel
191 miles of 85-pound steel	31 miles of 66-pound steel
10 miles of 75-pound steel	274 miles of 60-pound steel

440 miles of line were (as of December 31, 1915) ballasted with gravel, 137 miles with cinders, 53 miles with slag and 7 miles with earth.

GENERAL.

The C. H. & D. Ry., through ownership of stock in the Southwestern Construction Co., controls, jointly with the Southern Ry., the Cincinnati, New Orleans & Texas Pacific Ry., which see.

Products of Mines contributed 65.1% of all freight handled in 1915-16.

READJUSTMENT PLAN.

A plan was adopted in June, 1909, which provided that the control of the system be acquired by the Baltimore & Ohio R. R., which company agrees to purchase the C. H. & D. Ry. stock at the end of seven years from July 1, 1909, at a price to be fixed by arbitration (minimum, \$2,530,000; maximum, \$3,270,970); until then the controlling stock is to be vested in three voting trustees, one of whom shall be the president of the Baltimore & Ohio R. R. Capital was provided through securities, including issues guaranteed by the Baltimore & Ohio R. R. to pay or secure all claims or liens ranking ahead of the \$15,000,000 4½% Notes, for construction and development purposes and for working capital; the holders of 4½% Notes received for each \$1,000 of Notes, \$60 in cash and \$1,000 of new General Mortgage bonds due 1939, to draw interest, July 1, 1911, part at a fixed rate and part dependent upon Income until July 1, 1916; thereafter 4½% fixed. 1% was paid in 1912-13, and 1913-14. The January, 1915, coupon was defaulted. \$20,000,000 of the bonds were issued, of which \$17,529,000 were in the hands of the public.

During July, 1916, it was stated that the Baltimore & Ohio R. R. would, upon demand, either pay 85% in cash and interest for said bonds, or issue in exchange therefor a new 4% bond, secured by said General Mortgage and guaranteed as to principal and interest by the Baltimore & Ohio R. R.; the latter to elect whether to make such purchase or such exchange.

In December, 1915, an offer was made by a committee in behalf of the Baltimore & Ohio R. R. to purchase the outstanding General Mortgage bonds of this issue at 70. Most of the bonds were thus acquired

A First and Refunding Mortgage to cover \$75,000,000 4% bonds, dated July 1, 1909, and due July 1, 1959, was authorized to carry out the extensive financial plan to rehabilitate the property. To June 30, 1916, \$29,190,000 of these bonds had been issued, of which \$9,177,000 were outstanding and the balance were deposited as collateral for other loans or debts or were held in the company's treasury. Of the outstanding bonds, \$7,500,000 were guaranteed principal and interest by the Baltimore & Ohio R. R. Interest has been advanced by the latter company on the guaranteed bonds.

In June, 1915, it was announced that the Cincinnati, Indianapolis & Western Ry. would be reorganized separately. This line extends from Hamilton, Ohio, *via* Indianapolis to Springfield, Ill. (284 miles) with a branch Sidell, Ill., *via* West Liberty to Olney (85 miles). The section of the line, Hamilton to Indianapolis, forms a portion of a through line Cincinnati to Chicago, used jointly by this railway and the Chicago, Indianapolis & Louisville Ry. The plan of Reorganization follows:

		Receive		
		1st M.	Pfd. Stock	Com.
		Bonds	(5%)	Stock
Assessed				
\$4,722,000 C. I. & W. 4s..	30%	30%	60%	60%
3,162,000 I. D. & W. 4s..	30%	30%	60%	60%

The assessment amounted to \$2,365,200 cash; and the securities issued consist of \$2,365,200 First Mortgage 5% bonds due 1965 (\$12,000,000 authorized); \$4,730,400 preferred stock (\$7,500,000 authorized), and \$4,730,400 common stock (\$7,500,000 authorized). The balance sheet of the C., I. & W. Ry., *June 30, 1915* (prior to Reorganization) showed Current Liabilities amounting to \$777,714; also \$1,036,766 Non-negotiable Debt to affiliated companies. There were no Current Assets and the debit balance to Profit and Loss totalled \$1,091,295. This included the Income Deficit for 1914-15, amounting to \$756,795. Gross Earnings of this line for 1915-1916 totalled \$1,296,706; Net Earnings totalled \$241,732.

It is understood that an offer has been made on the part of the Baltimore & Ohio R. R. to acquire, through purchase from the bondholders, the Cincinnati, Findlay & Ft. Wayne Ry. The \$1,150,000 First Mortgage bonds of this company have been in default since November, 1914. This company's balance sheet as of June 30, 1916, showed Current Assets \$17,406 and Current Liabilities \$168,391. The Income Deficit for the year 1915-16 amounted to \$90,734 (\$91,874 in 1914-15). This railway extends from Findlay, Ohio, to Ft. Wayne, Ind. (80 miles) with a branch Delphos to Mandale, O. (11 miles).

A Plan of Reorganization was announced under date of February 15, 1916. Under the Plan the bonds and guaranteed stocks (total \$6,336,200) of the Dayton & Michigan Ry., the \$2,000,000 C. H. & D. Ry. Second (now First) Mortgage 4½% bonds of 1937 and \$3,000,000 C. H. & D. Ry. General Mortgage 5% bonds of 1939 will remain undisturbed.

The Baltimore & Ohio R. R. is to acquire, subject to the above securities, all securities to be issued by the new company which will operate the line from Toledo to Cincinnati, certain branch lines and the line from Dayton to Willston, O., total about 400 miles. The Baltimore & Ohio R. R. will issue, to be distributed in exchange for the existing securities provided for under the Plan and for other purposes of the reorganization, its own direct obligations, to be known as its Toledo-Cincinnati Division bonds, to be secured by the pledge of all the Refunding Mortgage bonds to be issued by the New Company. The bonds to be issued in exchange for the existing securities are to mature in 1959, are to bear interest at the rate of 4% per annum and are to be redeemable on any semi-annual interest date, in whole or in part, at 102½% and accrued interest. The total authorized issue is not to exceed \$35,000,000.

The following Cincinnati, Hamilton & Dayton Ry. bonds will receive Toledo-Cincinnati Division 4% bonds:

	Original Amount		Will Receive
1st & Ref. Mtge. 4% guar. by B. & O. R. R.	\$7,500,000	100%	\$7,500,000
1st & Ref. Mtge. 4% not guaranteed	1,677,000	85%	1,425,450
Cinc. Dayton & Ironton 1st 5%....	3,500,000	60%	2,100,000
Piqua & Troy Branch 1st 4%.....	225,000	100%	225,000
	<hr/> \$12,902,000		<hr/> \$11,250,450

An additional \$5,000,000 of these bonds will be sold to provide funds to retire Receivers' Certificates, to pay Reorganization expenses, etc.

The Baltimore & Ohio R. R. will receive \$20,000,000 in New Company's Adjustment and Improvement Mortgage bonds, also the entire capital stock.

The Plan made no provision for the \$1,200,000 Cincinnati, Dayton & Chicago First Mortgage 4% and the \$1,150,000 Cincinnati, Findlay & Ft. Wayne 4% bonds. It is understood that an offer has been made to the holders of the latter bonds.

CINCINNATI NORTHERN R. R.

See Table, page 103.

An initial annual dividend of 3% was paid on the stock of this company March 1, 1910; 3% was paid March 1, 1911. On March 1, 1912, an annual dividend of 1½% was paid. On March 1, 1913, a

dividend of 1½% was paid from free surplus. In 1914 the dividend was passed. In March, 1916, 3% was paid.

Of the \$3,000,000 capital stock of this road outstanding \$1,707,400 is owned by the Cleveland, Cincinnati, Chicago & St. Louis Ry. and is carried by the latter at a book value of \$518,741. The latter company owns also \$581,000 of the \$1,000,000 (\$3,000,000 authorized) 4% bonds of this company.

In November, 1915, the Cincinnati Northern R. R. sold \$430,000 5% Equipment Certificates due serially September 1, 1916, to 1925 inclusive (\$387,000 outstanding December 31, 1916).

On December 31, 1915, Current Assets were \$937,242, and Current Liabilities were \$417,393.

Products of Mines contributed 70% of the freight handled in 1915 against 65% in 1914, 60% in 1913, 66% in 1912 and 59% in 1911.

CLEVELAND, CINCINNATI, CHICAGO & ST. LOUIS RY.

See Table, page 104.

The preferred stock is limited to 5% per annum and received 5%, payable quarterly, until October 1, 1913, when the dividend was passed. In July, 1916, dividend payments were resumed. For several years to and including 1907, the common stock received 4% per annum, March and September. In March, 1908, the dividend was 1%. In September, 1908, and in 1909, the dividends on the common stock were omitted. In 1910, 4% was paid; no dividends have since been paid.

STOCK SOLD—CONTROL BY "NEW YORK CENTRAL."

Since 1905, new common stock has been issued as follows: 1905, \$2,872,100 to stockholders at par, and \$4,727,900 additional sold; in 1906, \$4,404,837 additional stock sold; in 1907, \$4,806,580 common stock sold to stockholders at \$90 a share; in 1907, \$2,249,720 stock sold (price not stated), bringing the total amount outstanding to \$47,056,300. The authorized amount is \$50,000,000.

The New York Central R. R. held in January, 1916, \$30,207,700 of the common stock of the "Big Four." Prior to the merger with the "Lake Shore," January 1, 1915, the "Big Four" stock was held by the latter company.

SECURITIES OWNED.

The "Big Four" owns a majority (\$5,000,100) of the \$10,000,000 stock of the Peoria & Eastern Ry. (338 miles owned), and guarantees interest on that company's bonds, excepting the income bonds. The "Big Four" owns a majority (\$1,707,400) of the \$3,000,000 stock of the Cincinnati Northern R. R. (206 miles owned), also large stock interests in various depot and terminal companies.

The Central Indiana Ry. (127 miles) is controlled by the "Big Four" and Pennsylvania R. R. interests, \$1,500,000 4% bonds outstanding are guaranteed by the "Big Four." This road an-

nually reports large deficits (1915 Operating Revenues, \$203,714; Deficit after Charges, \$143,901).

GENERAL.

Jointly with other railroads in the New York Central System, the "Big Four" guarantees principal and interest \$30,000,000 5% Equipment Trust Certificates of 1907; \$30,000,000 4½% Equipment Trust Certificates of 1910; \$15,000,000 4½% Equipment Trust Certificates of 1912 and \$22,438,000 4½% Equipment Trust Certificates of 1913. The "Big Four's" share of equipment leased under these issues amounted to about \$4,000,000, \$3,300,000, \$2,665,000 and \$1,900,000 respectively. In addition \$3,870,000 and \$1,725,000 Equipment Certificates of 1914 and 1915 have been issued.

The "Big Four" issued in 1910 and 1911 \$9,650,181 4% Debentures and \$5,000,000 4½% Debentures (\$10,000,000 authorized of each issue). These Debentures mature in 1930 and 1931, respectively. The proceeds were used to provide for the payment of \$5,000,000 Notes due June, 1911, and for construction and improvements.

The balance sheet of December 31, 1915, showed Current Assets (including \$2,795,625 materials and supplies) \$10,776,547, and Current Liabilities (including \$8,029,310 Loans and Bills Payable) \$14,256,059.

PEORIA & EASTERN RY.

Interest on the Income bonds is payable, when earned, on April 1 of each year, from earnings of preceding calendar year. Owing to the fact that the Peoria & Eastern Ry. used its surplus earnings toward the extinguishment of a debt to the "Big Four," no interest was paid on these bonds prior to 1902. In that year 4% was paid, and the interest was paid regularly thereafter to and including 1908. The interest was not paid in 1909. The full 4% on these bonds was paid in 1910 and 1911. In 1912 the interest was not paid, but 4% was paid on April 1, 1913. No interest was paid on April 1, 1914, 1915 and 1916.

During recent years expenditures for new construction (addition betterments) and for new equipment (additions) have been made as follows: \$198,142 in 1905; \$268,790 in 1906; \$87,247 in 1907; \$90,349 in 1908; \$30,024 in 1909; \$81,040 in 1910; \$86,302 in 1911; \$36,646 in 1912; \$122,326 in 1913; \$20,044 in 1914 and \$51,516 in 1915. These expenditures are considered as having been deducted from the surplus earnings for the years mentioned.

As of December 31, 1915, the Peoria & Eastern Ry., it was stated, owed the "Big Four" \$384,555 for advances, etc., as compared with \$548,333 due December 31, 1914.

In 1914 a Protective Committee was formed in the interest of the holders of the \$4,000,000 income bonds. This Committee (John F. Wallace, Chairman; Frank D. Ketcham, 80 Broadway, Secretary; Depository, Empire Trust Co.), requested deposit of bonds with a view of taking action, owing to the failure to pay interest on the bonds out of the Net Income for the year 1913.

For the year ending December 31, 1915, the Peoria & Eastern Ry earned Gross \$3,386,581; Surplus, \$190,282.

Operating results for years prior to 1915 were as follows:

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1905	350	\$2,960,727	\$377,457	1910	352	\$3,536,068	\$264,129
1906	352	3,059,281	451,591	1911	352	3,218,284	8,373
1907	352	3,010,347	254,592	1912	352	3,429,867	256,101
1908	352	2,728,154	54,877	1913	352	3,387,434	*152,115
1909	352	3,026,856	271,756	1914	352	3,025,667	*160,406

Deficit. †Operating Expenses for 1913 were charged, \$115,692 account of flood expenses.

DETROIT & MACKINAC RY.

See Table, page 105.

The first semi-annual dividend on the preferred stock $2\frac{1}{2}\%$ was paid July 1, 1903, since which time dividends have been paid regularly in January and July. From January, 1912, until January, 1915, semi-annual dividends of $2\frac{1}{2}\%$ were paid on the common stock. The July, 1915, dividend was not paid. In January and July, 1916, $2\frac{1}{2}\%$ each was paid.

The mortgage bonds were reduced \$750,000 in 1902, by exchange of same for preferred stock at par. The bonds were cancelled.

In June, 1914, the Au Sable & Northwestern Ry. (Au Sable, on the Detroit & Mackinac Ry. to Comins 56 miles) was purchased. This was a narrow gauge road and has since been standardized.

For years large sums have been deducted from income for improvement, equipment and new extensions. For the past nine years deductions have been made (including cost of Hillman Branch and Rogers City extension, Au Sable & Northwestern Ry., etc.), as follows:

1907-8.....	\$154,599	1911-12.....	\$22,490
1908-9.....	123,706	1912-13.....	94,959
1909-10.....	152,108	1913-14.....	54,612
1910-11.....	42,214	1914-15.....	68,414
1915-16.....	103,889		

Taxes for 1915-16, amounted to \$97,506, equal to 8.29% of the total Gross Earnings and to 21.7% of the Total Net Income.

Current Assets (excluding bonds in treasury) on June 30, 1916, were \$63,069 and Current Liabilities were \$61,241.

The following table indicating how a former logging railroad has been turned into a road for general business is interesting and significant.

	1897	1906	1916
Products of Agriculture %.....	1.35	2.82	5.10
Products of Animals %.....	1.25	1.49	1.81
Products of Mines %.....	1.55	29.40	37.27
Products of Forest %.....	*86.58	53.41	26.44
Merchandise, Manufactures, etc.....	9.27	12.88	29.38

*91% in 1896.

DETROIT, TOLEDO & IRONTON R. R.

See Table, page 106.

This company (incorporated March 1, 1914) is the successor to the Detroit, Toledo & Ironton Ry. Receivers were appointed for the latter company in 1908, the company having defaulted on practically all of its fixed interest obligations.

HISTORY.

The Detroit, Toledo & Ironton Ry. was the successor to the Detroit Southern R. R., whose property was sold 1905, under foreclosure. In the reorganization (1905) \$4,495,000 Ohio Southern Division 4% bonds remained undisturbed and \$4,253,000 General Lien and Divisional First Mortgage 4% bonds were issued to holders of 4% Consolidated Mortgage bonds. A new Consolidated Mortgage was authorized. \$2,675,000 4½% bonds under this mortgage were issued to bankers and stockholders in consideration for cash furnished, and about \$100,000 were issued in exchange at par for Ann Arbor R. R. preferred stock.

REORGANIZATION PLAN.

On December 15, 1913, a Plan of Reorganization was announced. This plan provided that the new company should have the following authorized capitalization:

	Amount Authorized
First Mortgage 5% 50-year Gold Bonds.....	*Unlimited
Adjustment Mortgage 5% Income Bonds due 1943.....	\$8,000,000
Preferred Stock (4%, non-cumulative).....	6,000,000
Common Stock	6,500,000

**Issuable under carefully guarded restrictions, for the cost of additional property and equipment, for the building of a bridge or bridges over the Ohio River, for terminals, for relocation of lines and for extensions. (\$1,075,000 issued to June 30, 1916).*

The Adjustment bonds mostly issued as per Plan following, are entitled to interest at the rate of 5% per annum, cumulative after January 1, 1919. The issue is redeemable as a whole at the company's option first year, at 85 and 90 and interest during 1917 and 1918, and at par and interest thereafter. The Adjustment bondholders shall have the right to cast one vote for every \$100 of bonds owned until the full interest shall have been paid for two successive years. This voting right may be terminated upon making the interest fixed without regard to the amount of net income.

The preferred stock shall receive 4% in priority to the common stock and shall share pro rata with the latter until 6% shall have been paid on both classes of stock; all dividends thereafter shall accrue to the common stock.

Under the Plan, holders of securities of the old company were assessed and received New Securities as follows:

Securities received:

Assessment	Adj. Bonds (166⅔% of Preferred Common Assessment)	Stock	Stock
Holders of \$1,000 of			
Ohio Southern Div. 4%.....\$350	\$583.33	\$550	\$550
General Lien & Div. 4% 350	583.33	500	500
Gen. Lien Coup. Dec., 1909.... 250	416.67	200	200
Receivers Ctfs. Feb. 24, '08.... 250	416.67	200	200
Consolidated 4½% bonds..... 100	166.33	50	100

The stocks of the old company did not participate in the Reorganization.

The Plan above called for the payments of assessments to the amount of \$4,079,955 and for the issue to the bondholders paying the assessment of \$6,799,923 Adjustment bonds, \$5,132,582 preferred stock and \$5,633,408 common stock.

The existing capitalization \$20,500,366, of which only \$1,381,500 are fixed interest obligations, compares with a capitalization of \$44,329,280 as of June 30, 1913, of which \$19,329,280 were fixed interest obligations. Bond interest (not including Equipment Obligations), amounted June 30, 1916, to about \$120 per mile as compared with about \$1,770 per mile in former years.

The property is being thoroughly rehabilitated, it having been allowed in former years to deteriorate to such an extent that safe economical operation was not possible. Bridges have been repaired and rebuilt. Upward of 547,000 ties and a large mileage of heavy rail laid in the main track, 160 miles of line rebalasted, etc. These improvements, the cancellation of rates which has eliminated non-profitable freight from carriage, and a change of general policy on the part of the management has greatly reduced the Operating Ratio and has added considerable net revenue to the Income Account.

During 1915-16 cost of conducting transportation was reduced 4.01%, although 25.15% more business was handled than in 1914-15.

FORMER REORGANIZATIONS.

The capital stock and bonds of the Detroit Southern R. R. outstanding June 30, 1904, consisted of: Preferred stock (4%), \$6,500,000; common stock, \$10,500,000; bonds and equipment obligations, \$8,683,557. These stocks in the Reorganization in 1905 were assessed \$10 and \$5, respectively, and received par in Consolidated Mortgage 4½% bonds for the assessment. The preferred stock received 100% in new first preferred stock and the common 40% in new second preferred stock. The \$12,500,000 common stock was issued to the reorganization managers.

The Detroit Southern R. R. was a consolidation of the Detroit & Lima Northern R. R. and the Ohio Southern R. R. Both of these

companies passed into Receivers' hands in 1898 and were reorganized as the Detroit Southern R. R. in 1901.

FORMER OWNERSHIP OF ANN ARBOR R. R.

On June 1, 1905, the Detroit, Toledo & Ironton Ry. purchased about 72% of the capital stock of the Ann Arbor R. R. For the purpose of acquiring this stock \$5,500,000 5% 3½-year Notes were issued. There were deposited as collateral for these Notes \$5,000,000 Consolidated Mortgage 4½% bonds and the Ann Arbor R. R. stocks above mentioned. These Notes were not paid off at maturity and the collateral was surrendered to the Noteholders' Committee.

The Ann Arbor R. R. (which see) is now being operated separately under its own management.

GENERAL.

In 1915-16 Products of Mines contributed 49% of the total freight tonnage carried. 54.1% of all freight carried originated on the line as compared with 49.8% in 1914-15 and 40.1% in 1913-14.

The balance sheet as of June 30, 1916, showed Current Assets to the amount of \$724,068 and Current Liabilities of \$522,095. The credit balance to Profit and Loss was \$348,093.

On May 1, 1916, the Toledo-Detroit R. R. (22 miles), extending from West Toledo, Ohio, to a connection with the D., T. & I. R. R. at Dundee, Mich., was leased.

GRAND RAPIDS & INDIANA RY.

See Table, page 107.

In 1900, 1% was paid on the stock; in 1901, 2% was paid, and dividends at the rate of 3% per annum were paid from 1902 to April, 1910, inclusive. In October, 1910, the dividend was passed.

The following amounts have been appropriated from surplus earnings for extraordinary expenditures:

1903.....	\$81,515	1910.....	\$92,670
1905.....	100,000	1911.....	35,984
1906 (from income)	51,700	1912.....	50,526
1907.....	65,222	1913.....	55,085
1908.....	52,390	1914.....	111,467
1909.....	40,901	1915.....	255,000

From the surplus for 1912, \$18,100, and from the surplus for 1911, 1910, 1909, 1908 and 1907, \$22,966 each was deducted account of principal of Car Trusts.

The Pennsylvania Co. controls the operation of this road through its ownership of stock. On December 31, 1915, the Pennsylvania Co. owned \$2,966,900 stock of this company.

On January 1, 1916, the Pennsylvania R. R. owned \$888,000 and the Pennsylvania Co. owned \$3,487,000 of the \$5,000,000 Second Mortgage bonds. The First Mortgage 4½ bonds (\$4,455,000), are guaranteed, principal and interest, by the Pennsylvania R. R.

On December 31, 1915, Current Assets (including \$354,851 material on hand) were \$1,403,940 and Current Liabilities \$940,781.

Products of Forests contributed 28.3% and Products of Mines 33.2% of the tonnage handled in 1915.

GREEN BAY & WESTERN R. R.

See Table, page 108.

Class A debentures are entitled to 2½%, if earned, then common stock to 2½%, then the two issues share ratably, but after 5% has been paid on both, Class B debentures are entitled to all surplus earnings. Payments have been made annually in February, as follows:

		'02-04	'05-07	'08	'09	'10	'11-12	'13	'14	'15	'16
Common Stock ..%	4	5	5	5	5	5	5	5	5	5	5
Debentures "A" ..%	4	5	5	5	5	5	5	5	5	5	5
Debentures "B" ..%	0	0	½	¾	¼	½	¼	⅝	¾	⅝	⅝

There are no fixed charges other than taxes and rentals, and no fixed charges can be made, or the property sold or leased, without consent of 75% of the stockholders.

From the surplus of 1915, \$81,400 was appropriated for improvements as against \$28,000 in 1914, \$27,000 in 1913 and \$26,000 in 1912.

HOCKING VALLEY RY.

See Table, page 109.

From July, 1907, to July, 1911, the common stock received dividends at the rate of 4% per annum. In 1911-12, 7% was paid, 1912, 4% was paid and from September, 1912, to June, 1913, inclusively, quarterly dividends of 1¾% each were paid. On June 28, 1913, an extra dividend of 4½% was paid, making a total of 11½% for the year. From September, 1913, to June, 1914, inclusive, quarterly dividends of 2% each were paid. In December, 1914, 3% was paid; in June, 1915, 1% was paid; in December, 1915, 2% was paid; in June and December, 1916, 2% each was paid.

In 1903, \$6,924,200 of the outstanding common stock of the Hocking Valley Ry. was acquired by five railroad companies, viz.: The Pittsburgh, Cincinnati, Chicago & St. Louis Ry. (two-sixths interest) and Baltimore & Ohio R. R., Chesapeake & Ohio Ry., Lake Shore & Michigan Southern Ry. and Erie R. R. (each one-sixth interest), at a cost of \$103 per share.

During 1909-10 all of the above stock and a small amount of additional stock was purchased by the Chesapeake & Ohio Ry. The later road's holdings June 30, 1916, was \$8,825,800.

In 1910, all of the \$15,000,000 4% preferred stock was retired at par. About two-thirds of the funds required for this purpose was provided

by the sale of securities which were in the treasury as free assets, such securities carrying the control of the Toledo & Ohio Central Ry. and the Kanawha & Michigan Ry. (see those companies). These securities were sold to the Lake Shore & Michigan Southern Ry. for \$10,197,875. One-half of the Kanawha & Michigan Ry. was transferred by the "Lake Shore" to the Chesapeake & Ohio Ry. and this latter stock was subsequently disposed of by the Chesapeake & Ohio Ry. by order of the Court.

Under date of November 1, 1915, \$4,000,000 5% two-year Notes were issued to retire \$4,000,000 6% Notes at maturity. The new issue of Notes is callable at 101 and interest.

GENERAL.

Including \$1,033,852 materials and supplies on hand the total Working Assets on June 30, 1916, were \$3,131,096, and Working Liabilities were \$3,096,944. The credit balance to Profit and Loss on June 30, 1916, was \$7,029,630.

Of the total freight tonnage handled during 1915-16 Products of Mines contributed 79% (bituminous coal 70%).

As of June 30, 1916, main and second track contained:

34 miles of 100-pound rail,	75 miles of 80-pound rail,
205 miles of 90-pound rail,	62 miles of 67-pound rail,
14 miles of 63 & 60-lb. rail.	

ILLINOIS CENTRAL R. R.

See Table, page 110.

Dividends at the rate of 7% per annum were paid from March, 1905, to March, 1913, inclusive. In September, 1913, the rate was reduced to a 5% basis by the payment of 2½%. Dividends are paid in March and September, the 123d dividend having been paid September, 1916. In December, 1916, 1% was paid making 6% for the year.

From January 1, 1850, to January 1, 1917, about \$195,000,000 had been distributed by the Illinois Central R. R. in dividends.

The company had 10,697 stockholders as of June 30, 1916.

OWNERSHIP OF STOCK.

On June 30, 1916, the Union Pacific R. R. and the Railroad Securities Co. (practically all of the stock of which company is owned by the former company) together owned \$31,700,000 of the outstanding stock of the Illinois Central R. R. The Union Pacific R. R. owned of this amount \$22,500,000.

YAZOO & MISSISSIPPI VALLEY R. R.

Through a subsidiary the Mississippi Valley Co., the Illinois Central R. R. owns the outstanding stock of the Yazoo & Mississippi Valley R. R. The Illinois Central R. R. owns all of the \$9,104,000 Louisville, New Orleans & Texas Ry. 5% Cumulative

Second Mortgage Income bonds, all the stock, all the First Mortgage 1% bonds, and most of the other bonds of that road.

In 1915-16, 1914-15, 1913-14, 1912-13 and in 1910-11 \$2,457,469, \$1,429,400, \$1,658,710, \$627,157 and \$1,070,359 including a portion of the arrears of interest due and unpaid on these income bonds, was paid to the Illinois Central R. R.; \$277,712 was paid in 1903, \$865,754 in 1902, and \$1,016,279 in 1901. As on June 30, 1916, the arrears of interest due and unpaid upon these income bonds amounted to approximately \$7,638,557. Interest was not paid from 1904 to 1910, inclusive, and in 1911-12. The Yazoo & Mississippi R. R. stock is now held by the Mississippi Valley Corporation; the stock of which is owned by the Illinois Central R. R.

CAPITAL STOCK SOLD.

Through the sale in 1901 and 1902 of its stock at par to stockholders, the Illinois Central R. R. received \$35,040,000 cash to be expended for betterments, equipment, second tracks, etc. The greater part of the road between Chicago and New Orleans is double tracked.

In May, 1908, stockholders were permitted to subscribe for \$14,256,000 new stock at par (15% of holdings), the proceeds to be used to reduce the company's floating debt.

GENERAL.

The following amounts have been appropriated from surplus earnings for betterments:

Year 1901-2.....	\$4,340,172	Year 1908-9.....	\$232,267
Year 1902-3.....	4,881,253	Year 1910-11.....	164,847
Year 1903-4.....	2,579,329	Year 1911-12.....	61,481
Year 1904-5.....	1,683,886	Years 1909-10 and 1912-13	none
Year 1905-6.....	4,164,739	Year 1913-14.....	41,643
Year 1906-7.....	3,987,934	Year 1914-15.....	46,020
Year 1907-8.....	1,046,963	Year 1915-16.....	41,206

The balance sheet as of June 30, 1916, showed Current Assets \$23,993,067. This total included \$6,141,588 material and supplies. Current Liabilities were \$14,744,365. There was a credit to Reserve for Insurance Fund of \$2,311,375. The credit balance to Profit and Loss amounted to \$10,092,236.

BONDS.

In 1908, the company sold \$20,000,000, Refunding Mortgage 4% bonds due 1955. \$17,740,000 additional bonds under this mortgage were sold in later years, making the total amount outstanding on June 30, 1916, \$37,740,000. These bonds are part of an authorized issue of \$120,000,000, of which \$59,026,000 of the unissued bonds are reserved to retire prior lien bonds.

\$15,000,000 4½ Notes matured July, 1914. They were largely paid off with the proceeds of the sale of 5% bonds (see next paragraph).

In December, 1913, Illinois Central R. R. and Chicago, St. Louis & New Orleans R. R. Joint First and Refunding Mortgage for \$120,000,000 bonds were authorized to be secured on the System lines south of the Ohio River. \$10,000,000 of these bonds, bearing interest at 5% per annum due 1963, were sold in 1913, and \$20,000,000 (5% due 1963) were sold early in 1915. \$3,348,100 additional bonds of this issue were in the treasury June 30, 1916.

OWNERSHIP OF CENTRAL OF GEORGIA RY.

During 1908-9, the entire capital stock of the Central of Georgia Ry. (\$5,000,000), acquired in 1907 by E. H. Harriman, was turned over to the Illinois Central R. R. The cost of this stock to the Illinois Central R. R. was \$3,474,249. This acquisition gives the company direct control of 1,924 miles of main line and the ownership of the Central of Georgia Ry. carries control of the Wrightsville & Tennille R. R. and Wadley Southern R. R., together operating about 200 miles of road additional. It also afforded an outlet to the Atlantic Coast at Savannah, as well as direct entrance into the principal cities of Alabama and Georgia.

In 1911-12, \$3,823,000, \$6,844,000 and \$3,794,000, respectively, of first second and third preference income bonds of the Central of Georgia Ry. were purchased. Late in 1912 these income bonds were cancelled and \$15,000,000 preferred stock issued. On June 30, 1916, this preferred stock was held by the Illinois Central R. R. Dividends of 6% and 5% each were paid on the Central of Georgia Ry. preferred and common stock in 1912-13, 1913-14, 1914-15 and 1915-16.

In 1915-16, products of mines (mostly bituminous coal) contributed 45.6% of freight tonnage.

ILLINOIS SOUTHERN RY.

See Table, page 111.

This company operates a line of railway extending from Salem, Ill., to Bismarck, Mo. (124 miles), with branches (14 miles).

The preferred stock is entitled to cumulative dividends of 6% per annum in priority to the common stock. No dividends are being paid on either class of stock nor is interest being paid on the \$1,380,000 Income Bonds due 1951.

The \$1,936,000 First Mortgage bonds outstanding mature June 1, 1951. The authorized issue is \$3,000,000. Holders of \$1,528,000 bonds cancelled the coupons due December, 1913, and June and December, 1914, while holders of \$206,000 bonds cancelled both 1914 coupons. \$82,000 additional bonds were in the Treasury June 30, 1916.

As of June 30, 1916, main track contained rail of the following weights:

3 miles of 90-pound rail,	84 miles of 70-pound rail,
19 miles of 75-pound rail,	31 miles of 60-pound rail,
2 miles of 56-pound rail.	

The balance sheet as of June 30, 1916, showed Working Assets (including \$82,000 bonds in Treasury), \$213,595 and Working Liabilities, \$143,226.

INDIANA HARBOR BELT R. R.

See Table, page 112.

The stock of this company is owned: 30% by the New York Central R. R., 30% by the Michigan Central R. R., 20% by the Chicago & Northwestern Ry. and 20% by the Chicago, Milwaukee & St. Paul Ry. No dividends are being paid.

The bonds of this company consist of \$2,500,000 Chicago, Hammond & Western R. R. First Mortgage 6% bonds due January 1, 1927 (assumed), and \$4,225,000 General Mortgage bonds due July 1, 1957 (\$25,000,000 authorized). Of the bonds issued under the General Mortgage, \$2,500,000 are reserved to take up the C. H. & W. R. R. First Mortgage 6% bonds at maturity. \$1,725,000 of the bonds at present outstanding bear interest at 4% and the balance (\$2,500,000) bear interest at 3% until July 1, 1917, and thereafter at the rate of 4% per annum.

The balance sheet of December 31, 1915, showed Current Assets, \$2,002,611, and Current Liabilities, \$1,502,140 (not including \$4,611,693 non-negotiable debt to other companies).

KANAWHA & MICHIGAN RY.

See Table, page 113.

Nearly all of the stock of this company was acquired in 1910, from the Toledo & Ohio Central Ry. jointly by the Chesapeake & Ohio Ry. and the Lake Shore & Michigan Southern Ry. The total amount of stock owned by those companies on March 1, 1914, was \$8,058,400. Under a decree of the Court the ownership of the Kanawha & Michigan Ry. stock by the C. & O. and Lake Shore was held to be a violation of the Federal Anti-Trust Law. In accordance with the decree of the Court the Kanawha & Michigan Ry. stock was disposed of to the Toledo & Ohio Central Ry., the latter company issuing one-year Notes to provide for the cost of the transaction. Additional Kanawha & Michigan Ry. stock was acquired by the Toledo & Ohio Central Ry., that company owning as of December 31, 1915, \$8,947,800 of the stock, to acquire which \$8,719,012 of the Notes were issued.

An initial (annual) dividend of 4% was paid in June, 1911. In December, 1911, and in 1912, semi-annual dividends of 2½%

each were paid. In 1913, 6% was paid; in 1914, 1915 and 1916, 5% each was paid.

In 1907, \$2,500,000 Second Mortgage 5% bonds, due July 1, 1927, were authorized. These bonds are subject to retirement at par and interest on any interest date on three months' prior notice. The proceeds from the sale of these bonds were used to pay off Car Trust Obligations, floating debt, etc. The entire issue was outstanding on June 30, 1916. \$2,469,000 First Mortgage bonds of the Kanawha & Michigan Ry. are outstanding.

The entire main track of this company is laid with 90-pound rail.

Bituminous coal contributed 76% of the total freight tonnage hauled during 1915.

As of December 31, 1915, Current Assets amounted to \$891,608, and Current Liabilities amounted to \$660,286. There was a credit balance to Profit and Loss of \$2,662,676.

In August, 1916, the Kanawha & Michigan Ry. purchased the capital stock (\$1,359,600) and assumed the bonds (\$1,000,000) and Car Trust Certificates (\$123,000) of the Kanawha & West Virginia R. R. (Charleston, W. Va., to Blakely, with 4 mile branch; 38 miles).

LAKE ERIE & WESTERN R. R.

See Table, page 114.

The preferred stock is entitled to non-cumulative dividends of 6% per annum. After the common stock has received 6% both issues share pro rata.

The preferred stock received 4% per annum in 1901, 1902 and 1903 and 3% in 1904. In 1905, 4% was paid. The 1906 and 1907 dividends were 3% each. In January, 1908; 1% was paid, but in July, 1908, dividends were suspended and have not since been resumed.

On January 1, 1916, the New York Central R. R. owned \$5,930,000 preferred and \$5,940,000 common stock, a majority of each class.

The following amounts have been appropriated from surplus earnings for extraordinary expenditures:

1904.....	\$44,658	1909.....	\$56,964
1905.....	70,139	1910.....	136,764
1906.....	87,092	1912.....	209,442
1908.....	20,815	1913, 1914 and 1915..	none

The balance sheet of December 31, 1915, showed Current Assets of \$1,447,968 (including \$435,713 materials and supplies). Current Liabilities were \$2,835,691. Included in the Current Liabilities was \$1,526,975 due to the New York Central R. R. There was a credit balance to Profit and Loss of \$11,569.

MANISTEE & NORTHEASTERN R. R.

See Table, page 115.

This company operates, 243 miles of railway wholly located in the State of Michigan. The main line extends from Manistee to Traverse City (71 miles); with branches to Provemont, Onekana, Greyling and Empire, Jc. The Provemont branch is to be extended to Leland.

No dividends have been paid on the \$2,000,000 stock outstanding. The balance sheet of the company as of December 31, 1915, showed among Resources, \$1,474,234 Unextinguished Discount on Capital Stock.

The First Mortgage 5% bonds of this company mature \$40,000 annually in January, the final maturity date being 1938. A sinking fund of 50% of Net Income (beginning July 1, 1910), is used to call bonds by lot at 102½ and interest, until \$1,000,000 have been cancelled. The original issue of bonds was \$1,500,000 of which \$1,211,000 were outstanding December 31, 1916.

MICHIGAN CENTRAL R. R.

See Table, page 116.

Regular dividends at the rate of 6% per annum were paid on the stock of this company from 1907 to 1913 inclusive; in 1914 the dividend rate was reduced to a 4% basis which note was paid in 1915 and 1916. In 1908, in addition, to the regular dividend of 6%, an extra dividend of 2% was paid. Prior to January, 1907, 4% per annum was paid.

CONTROL BY THE "NEW YORK CENTRAL," ETC.

The New York Central R. R. owned in January, 1916, \$16,819,300 of the stock of this road, having acquired it in 1898 in exchange for its 3½% bonds at the rate of \$115 in bonds for each \$100 in stock. A proposition has been made by the New York Central R. R. to purchase outstanding Michigan Central R. R. stock with a view to merging the two companies.

CANADA SOUTHERN RY.

The Michigan Central R. R. leases the Canada Southern Ry., guaranteeing to the latter dividends of 3% per annum on the \$15,000,000 stock. The lease will run for 999 years from 1903. On December 31, 1915, \$7,810,000 stock of the Canada Souther Ry. was owned by the Michigan Central R. R.

DETROIT RIVER TUNNEL CO.

In October, 1910, the Michigan Central R. R. completed a third-rail electric tunnel road under the Detroit River from Windsor, Ontario, to Detroit, 242 miles long, under the charter of the Detroit River Tunnel Co. (original cost \$9,000,000). The Detroit River Tunnel Co. bonds (authorized issue \$30,000,000), bearing interest at not above 5%, are guaranteed by the Michigan Central R. R. The Tunnel Co. is leased to the Michigan Central R. R. for 999 years from January 1, 1907. \$18,000,000 of the Tunnel Co. bonds, bearing interest at 4½% were outstanding February, 1916. The bonds, mature May 1, 1961. The Tunnel Co. has expended considerable sums, beyond the cost of the tunnel, in the acquisition of terminal yards and buildings.

EQUIPMENT.

Jointly with other companies, the Michigan Central R. R. guarantees \$30,000,000 New York Central Lines 5% Equipment Certificates of 1907, \$30,000,000 4½% Equipment Bonds of 1910, \$15,000,000 4½% Equipment Certificates of 1912, and \$23,179,000 4½% Equipment Trust Certificates of 1913. (See under New York Central R. R.) The cost of the equipment leased under these agreements by the Michigan Central R. R. was about \$4,200,000, \$6,100,000, \$2,500,000 and \$3,800,000 respectively.

FINANCES.

A total of \$14,000,000 6% bonds of the Canada Southern Ry. (leased line), matured January 1, 1913. \$6,000,000 additional bonds (5%) matured March 1, 1913. To refund these bonds and for other purposes, \$22,500,000 Canada Southern Ry. 50-year Consolidated Mortgage 5% bonds (authorized \$40,000,000) were issued. These bonds are guaranteed as to principal and interest by the Michigan Central R. R.

The Michigan Central R. R. in 1909, authorized the issue of \$25,000,000 4% 20-year debenture bonds for the purpose of refunding \$10,000,000 5% Notes and to provide the company with new funds. \$7,634,000 of these debentures were sold in 1909, to provide for advances to the Detroit River Tunnel Co. They are to be secured by any new mortgage, but existing mortgages may be extended.

On December 31, 1915, Current Assets were \$11,055,135 and Current Liabilities (including \$4,507,205 Loans and Bills payable) totalled \$10,150,849. There was a credit balance to Profit and Loss of \$13,638,974.

NEW YORK, CHICAGO & ST. LOUIS R. R.

See Table, page 117.

The first and second preferred stocks are entitled to non-cumulative dividends of 5% per annum, and after 5% shall have been paid on the common stock, all classes of stock share alike in any further dividends. Dividends have been paid on the preferred stocks since 1901 as follows:

	1901	1902 to 1906	1907	1908 to 1913
1st preferred, %	5	5 yearly	5	5 yearly
2nd preferred, %	2	3 yearly	4	5 yearly

In March, 1910, 1911 and 1912, dividends of 3% each were paid on the common stock. In March, 1913, the dividend was increased to 4%. In March, 1914, the dividend on the common stock was passed, and in September, 1914, the semi-annual dividends on the two preferred issues were passed. In 1916, 5% was paid on the first preferred stock. In 1917, 5% has been declared on the first preferred stock, payable 2½% in January and 2½% in July. Likewise 2½% was paid on the second preferred in January, 1917.

From 1882 until January, 1915, the date of the consolidation of the latter with the New York Central & Hudson River R. R., the Lake Shore & Michigan Southern Ry. owned \$2,503,000 first preferred, \$6,275,000 second preferred, and \$6,240,000 common stock of this road. This stock was acquired by the New York Central R. R. but in July, 1916, was disposed of to Cleveland interests for \$2,000,000 in cash and \$6,500,000 in Notes, secured by the stock, bearing interest at the rate of 4% per annum for five years and 5% thereafter. These Notes mature \$650,000 annually beginning 1921.

The balance sheet of December 31, 1915, showed Current Assets (including \$704,026 materials and supplies), \$4,356,044, and Current Liabilities, \$2,017,792.

In 1915 freight traffic contributed 86% of the total operating revenues.

In 1906, \$10,000,000 Debentures 4% bonds, due May 1, 1931, were authorized, the proceeds to be used for equipment, improvements, etc. These Debentures are all outstanding.

OHIO & LITTLE KANAWHA R. R.

See Table, page 118.

No dividends are being paid.

The Baltimore & Ohio R. R. owned as of June 30, 1916, a majority of each class of stock of this company, this stock being

deposited under its Pittsburgh, Lake Erie & West Virginia mortgage.

The Ohio & Little Kanawha R. R. held in its treasury on June 30, 1916, \$82,500 of its preferred stock, \$82,000 common stock, and \$22,000 5% bonds. Current Assets were \$98,783 (this amount being due from Baltimore & Ohio R. R. General Account). Current Liabilities totalled \$4,677. The credit balance to Profit and Loss was \$38,294.

PERE MARQUETTE R. R.

See Table, page 119.

In 1905, a Receiver was appointed for this company, as well as for the Cincinnati, Hamilton & Dayton Ry. In 1907, reorganization was effected without foreclosure. The lease to the C. H. & D. Ry., made in 1905, following the purchase by that company of a large block of Pere Marquette R. R. stock, was cancelled and the Court awarded the Pere Marquette R. R. the net sum of \$1,364,387, in settlement of all claims against the C. H. & D. Ry. In 1911, the C. H. & D. Ry. sold its holdings in Pere Marquette R. R. stock (\$11,000,000 common) to J. P. Morgan & Co. The Profit and Loss Account of the C. H. & D. Ry. was debited \$11,220,000 loss on this transaction (loss equivalent to about \$102 per share of stock owned). (See a following paragraph regarding appointment of new Receivers, April 6, 1912, and subsequent reorganization of property.)

The total authorized stock of the old company consisted of \$12,000,000 preferred and \$16,000,000 common stock. The preferred stock consisted of two classes; 4% first preferred stock (cumulative) and 4% non-cumulative second preferred stock. No dividends were paid.

The new company assumed the bonded debt, and issued to stockholders at par \$5,000,000 6% 5-year debentures (due July 1, 1912), to pay off the Receiver's Certificates, the floating debt, etc. Payment of the principal and interest of these bonds was defaulted July 1, 1912.

FINANCIAL.

In 1911, an issue of \$60,000,000 50-year Improvement and Refunding General Mortgage 5% bonds was authorized. \$16,000,000 of these bonds were issued immediately and were deposited as collateral for an issue of \$8,000,000 Collateral Gold 6% Notes, due March 1, 1916. (See next paragraph.)

RECEIVERSHIP.

On April 6, 1912, Receivers were appointed for this company. Interest was subsequently defaulted on all excepting about \$8,000,000 of the \$77,513,016 outstanding bonds, Notes, Equipment Certificates, etc., this total including bonds, on which the principal has been defaulted. In 1913, the \$16,000,000 Improvement and Refunding General Mortgage 5% bonds securing the 6% Notes were sold under foreclosure for \$6,395,236. The \$16,000,000 bonds and \$1,157,942 additional of the same issue, are now included in the Balance Sheet under Bonds Outstanding, together with \$2,125,884 Notes. These Notes remain outstanding, as the \$6,395,236 received for the Collateral was insufficient by \$2,125,884 to pay off the Notes and the interest accrued thereon.

\$5,015,000 Receiver's Certificates and Receiver's Notes were outstanding June 30, 1916.

GENERAL.

On June 30, 1916, Current Assets were \$5,740,772, and Current Liabilities (including \$12,247,354 bonded debt matured and unpaid) were \$23,480,919. The debit balance to Profit and Loss on that date was \$31,161,556.

On December 31, 1915, an appraiser appointed by the Michigan Railroad Commission reported that the cost of reproduction of this property, would be \$96,961,771, cost, less depreciation, \$78,545,241.

PLAN OF REORGANIZATION.

Under date of October 30, 1916, a Plan of Reorganization was announced and was subsequently declared operative. Two issues of bonds, *viz*: the Pere Marquette R. R. Collateral Trust 4% bonds of 1923 (\$2,870,000) and the Lake Erie & Detroit River Division Collateral 4½% bonds of 1932 remained undisturbed.

The new company authorized the following securities: (1) \$75,000,000 First Mortgage bonds of which \$24,445,000 were utilized under the Plan of Reorganization in exchange for securities of the former company, \$6,000,000 were sold to a Purchase Syndicate and the balance reserved to retire existing bonds and for various purposes; (2) \$11,200,000 5% cumulative prior preference stock; (3) \$12,429,000 5% preferred stock, cumulative after January 1, 1919, and (4) \$45,046,000 common stock. The bonds issued under the Plan, including \$6,000,000 (series A) sold to Purchase Syndicate, consisted of \$21,976,000 Series A 5%, due July 1.

1956, and \$8,479,000 Series B 4%, due July 1, 1956. These bonds were distributed as follows:

Each \$1,000 Principal Amount of Existing Securities to receive.

Existing Securities.	First Mortgage Bonds.	Preferred Stock (trust certificates).	Common Stock (trust certificates).
	Series A 5%	Series B 4%	
Flint & Pere Marquette RR. 1st Mtg. 6%	\$1,237		
Flint & Pere Marquette RR. 1st Mtg. 4%	1,115		
Flint & Pere Marquette RR. (Toledo Div.) 1st Mtg. 5%	1,132		
Flint & Pere Marquette RR. (Port Huron Division) 1st Mtg. 5%			\$764 \$382
Flint & Pere Marquette RR. 1st Consol. Mtg. 5%	641	\$500	
Chicago & West Michigan Ry. 1st Mtg. 5%	1,136		
Chicago & North Michigan RR. 1st Mtg. 5%			380 761
Detroit, Grand Rapids & Western RR. 1st Consol. Mtg. 4%	115	1,000	
Saginaw, Tuscola & Huron RR. 1st Mtg. 4%	101	1,000	
Grand Rapids, Belding & Saginaw RR. 1st Mtg. 5%			1,150
Pere Marquette RR. of Ind. 1st Mtg. 4%	112	1,000	
Pere Marquette Consolidated Mtg. 4%			1,104
do Refunding Mtg. 4%*			1,104
Old Colony Notes			120
Detached Coupons due April 1, 1912, pertaining to:			
F. & P. M. RR. 1st Mtg. 6% (\$30)....	37.65		
F. & P. M. RR. 1st Mtg. 4% (\$20)....	23.40		
D. G. R. & W. RR. 1st Consol. Mtg. 4% (\$20)	23.40		
Detached Coupons pertaining to Refunding Mtg. Bonds—			
due July 1, 1912			23.20
due Jan. 1, 1913			22.80
due July 1, 1913			22.40
due Jan. 1, 1914			22.00

*Bonds of this issue (\$9,207,000) which bear the guarantee of the Cincinnati, Hamilton & Dayton Ry. will receive in addition \$12.50 cash per \$1,000 bonds, upon payment of which, said guaranty will be relinquished.

The original first and second preference and common stocks, were allowed to purchase from the Purchase Syndicate by paying \$97.50 for each \$1,000 of old stock, \$100 in new Prior Preference Stock and \$200 new Common Stock. Holders of Debenture Bonds by paying \$370.50 for each \$1,000 bond received \$380 prior preference stock and \$760 common stock; Collateral Trust Noteholders by paying \$390 per \$1,000 Note

received \$400 prior preference stock and \$800 common stock and Refunding Mortgage Bondholders by paying \$243.75 received \$250 prior preference stock and \$500 common stock.

The Plan as above was duly declared operative.

PITTSBURGH & WEST VIRGINIA R. R.

(Successor to Wabash-Pittsburgh Terminal Ry. through Reorganization.)

See Table, page 120.

This company operates a line of railway extending from Jewett, Ohio, on the Wheeling & Lake Erie R. R. easterly to Pittsburgh, Pa., where extensive and valuable terminals are owned. The railway was opened for traffic in 1904. The company, the entire \$10,000,000 stock of which was acquired by the Wabash R. R., assumed control of the Wheeling & Lake Erie R. R. The stock of that company owned consisted of \$847,500 first preferred, \$6,423,800 second preferred and \$11,800,000 common.

The Wabash-Pittsburgh Terminal Ry., in addition to its control of the Wheeling & Lake Erie R. R., owns all of the stock (\$14,000,000) of the Pittsburgh Terminal R. R. & Coal Co. carried at a book value of \$3,159,740. This company owns 11,000 acres of coal lands along the line of the West Side Belt R. R. (23 miles), which it controls and 4,000 acres of coal lands along the line of the Wabash-Pittsburgh Terminal Ry. The coal lands are estimated to contain over 90,000,000 tons of coal.

RECEIVERSHIP.

In 1908 Receivers were appointed for the Wabash-Pittsburgh Terminal Ry. On June 30, 1916, Receivers' Certificates were outstanding to the amount of \$2,395,880. Interest was defaulted in December, 1907, on the \$30,236,000 First Mortgage 4% bonds. The Wabash-Pittsburgh Terminal Ry. had outstanding, \$20,000,000 Second Mortgage 4% bonds, due June 1, 1954. These bonds are likewise in default.

REORGANIZATION PLANS.

On June 25, 1915, a Plan was proposed by a Joint Reorganization Committee formed to represent the bondholders. Two independent Committees opposed this Plan, one headed by Daniel B. Ely of New York, and the other headed by Charles Fearon, of Philadelphia. The Plan calls for an assessment of \$300 per \$1,000 First Mortgage bond, for which the bondholder will receive \$300 in 6% preferred stock, cumulative after January 1, 1921, and \$1,000 in new common stock. The bondholders paying the assessment, \$28, \$210 and \$390 respectively, received in Wheeling & Lake Erie R. R. first and second preferred and common stock.

Such stocks as will not be taken up by First Mortgage bondholders (namely—those who fail to pay the assessment), will be

allotted to Second Mortgage bondholders under like terms and conditions (namely—payment of \$300 per bond).

The assessments payable under the Plan will provide the new company to be formed with the sum of \$9,070,800, which will be used: (1) to discharge \$3,110,166 Receivers' Certificates of the Wabash-Pittsburgh Ry., and the West Side Belt R. R.; (2) to acquire properties, including stocks and bonds of the Pittsburgh Terminal R. R., and discharge of judgments, etc., \$4,293,197; (3) for Reorganization Expenses, working capital, etc., \$1,667,487.

The above plan was underwritten by New York bankers.

MISCELLANEOUS.

As of June 30, 1916, the Receiver's general balance sheet showed Current Assets, \$385,372, and Current Liabilities, \$535,486. On the same date the company's balance sheet showed Current Assets, \$462,265, and Current Liabilities, \$7,424,461.

Products of mines contributed 82% of freight traffic handled during 1915-16, as against 85% in 1914-15.

The Pittsburgh Terminal R. R. & Coal Co. (entire \$14,000,000 stock, also \$3,500,000 of \$10,412,000 bonds owned by Wabash-Pittsburgh Terminal Ry.), earned in 1914-15; Gross, \$2,006,921; Expenses (including \$196,100 bond interest), \$2,032,848; Net Loss \$25,918. Earnings for 1913-14 were \$3,327,549 and there was a profit from operations, of \$141,463.

The West Side Belt R. R. (\$1,065,000 of \$1,080,000 stock owned by Pittsburgh Terminal R. R. & Coal Co.), reported for 1915-16; Gross, \$644,132; Net, \$382,443 (1914-15, \$153,282); Surplus \$172,013 (1914-15, Deficit \$15,318).

PITTSBURGH, CINCINNATI, CHICAGO & ST. LOUIS RY.

See Table, page 121.

The preferred stock is entitled to non-cumulative dividends at the rate of 4%, with the right to receive after 3% has been paid on the common stock, an additional 1%, making 5% in all.

After the common stock has received 5% both classes of stock share *pro rata*. The common received 4% in 1909. Dividends of 5% were paid on both classes of stock from 1910 to 1913, inclusive. In 1914, 4% was paid on the preferred stock and $\frac{3}{4}$ of 1% on the common stock. In January, 1915 2½% was paid on the preferred stock. No dividends other than the above were paid on either class of stock during 1915. In January, 1916, 4% was declared on the preferred stock and 2% on the common stock. In July, 1916, 2% was paid on each class of stock.

See paragraph following as to new capitalization following consolidation, January 1, 1917, with the Vandalia R. R. and other Pennsylvania Lines.

The following sums have been appropriated from surplus earnings in recent years:

	For Extraordinary Expenditures	For Sinking Funds
Year 1906.....	\$900,000	*\$1,046,123
Year 1907.....	875,233	*1,040,523
Year 1908.....	358,000	*1,094,723
Year 1909.....	1,600,000	*1,118,816
Year 1910.....	.....	†626,682
Year 1911.....	649,238	†645,866
Year 1912.....	1,400,000	*1,490,809
Year 1913.....	.....	‡856,629
Year 1914.....	.....	†880,520
Year 1915.....	.....	†941,130

*Includes annual payments (\$725,164 in 1912) on account of Principal of Car Trusts.

†This represents the annual payment account of Principal of Car Trusts; \$525,690 and \$548,430 appropriations to Sinking Funds in 1910 and 1911 respectively were included in Fixed Charges.

‡Income applied to Sinking and other Reserve Funds.

CONTROL BY PENNSYLVANIA CO.—STOCK AND BONDS ISSUED.

On December 31, 1915, the Pennsylvania Co. owned stock of the Pittsburgh, Cincinnati, Chicago & St. Louis Ry. as follows:

Preferred stock	\$24,886,850
Common stock	\$24,169,600

In 1903, the stockholders subscribed at par, to the extent of 10% of their holdings, to \$4,750,000 preferred stock.

In 1907, \$3,853,800 common stock was issued in exchange for the \$644,800 outstanding stock of the Chartiers Ry. (theretofore operated under lease), on the basis of \$300 of "Panhandle" stock for \$50 Chartiers Ry. stock.

In 1910, a stock allotment of 12½% was offered at par to stockholders. \$7,015,575 new common stock was sold, and the proceeds used for construction expenditures and equipments. In 1911, \$1,498,000 common stock was issued to acquire a like amount of Cincinnati, Lebanon & Northern Ry. stock. \$7,000,000 Consolidated Mortgage 4% bonds (Series G and H) were issued to redeem \$1,967,000 maturing 7% bonds for double tracking and for other purposes. \$7,000,000 4½% bonds (Series I) were sold in 1913, and \$3,494,000 4½% bonds (Series J) were sold in 1914. The Consolidated Mortgage is limited to \$75,000,000 bonds of which \$61,001,000 were outstanding in 1916, and approximately \$12,493,000 have been purchased for Sinking Fund. \$1,506,000 bonds are reserved to retire bonds. In 1914, \$2,437,600 preferred stock was sold at par to provide funds for additions and betterments.

GENERAL.

On December 31, 1915, total stocks owned of a par value of \$1,231,900 were carried on the books at a valuation of \$740,515.

Products of Mines in 1915, contributed 54.4% of total freight tonnage handled.

On December 31, 1915, Current Assets were \$11,475,327 and Current Liabilities were \$6,662,998.

Later in 1916, a Plan of Consolidation was announced whereby the "Pan Handle," the "Vandalia" and other Pennsylvania Lines would be operated under one direct management. Under the Plan \$84,860,208 stock all of one class, would be issued as follows:

	Outstanding	Will Receive	
		New stock	Amount
"Pan Handle" pfd.	\$29,999,713	\$110	\$32,999,684
"Pan Handle" com.	37,609,236	100	37,609,236
Vandalia R. R. Stock.	14,649,466	85	12,452,088
Pittsburgh & Wheeling R. R. Stk.	1,000,000	150	1,500,000
Anderson Belt Ry.	49,100	100	49,100
Chic., Ind. & E. Ry. bonds.	500,000	50	250,000
Chic., Ind. & E. Ry. stocks.	1,000,000	...	100
	<hr/>		
	\$84,807,515		\$84,860,208

A large majority of the new stock will accrue to the Pennsylvania Co. as owner of "Pan Handle" and Vandallia R. R. stocks.

TOLEDO & OHIO CENTRAL RY.

See Table, page 122.

The preferred stock is entitled to non-cumulative dividends of 5% per annum. After the common stock has received 5%, the preferred is entitled to 2% additional. After 7% has been paid on both issues, they share alike in any further distribution of profits.

From 1896 to 1909 no dividends were paid on either class of stock. In 1909 10% was paid on the preferred stock and 2% was paid on the common stock (5% and 1% represented dividends on the preferred and common stocks for the previous year). In 1910, the common stock dividend was raised to 5%. Similar dividends were paid in 1911, 1912 and 1913. No dividend on either class of stock was paid from the earnings of 1914 and 1915.

In 1901 the Hocking Valley Ry. had acquired all except \$54,100 of the common and all except \$11,600 of the preferred stock of the Toledo & Ohio Central Ry., in exchange for 70% of Hocking Valley Ry. stock of the same class.

The Court in July, 1909, ordered the separation of this property from the Hocking Valley Ry., and following this order the Hocking Valley Ry. in March, 1910, disposed of its holdings in Toledo & Ohio Central Ry. stock to the Lake Shore & Michigan Southern Ry.

The "New York Central" owned January, 1916, practically the entire outstanding capital stock of the Toledo & Ohio Central Ry., viz.: \$5,846,300 common stock and \$3,701,400 preferred stock, also \$200,000 St. Mary's Division Income bonds.

In 1890 this company acquired a majority of the capital stock of the Kanawha & Michigan Ry., guaranteeing the first mortgage bonds of that company. This stock was sold in March, 1910, jointly to the Lake Shore & Michigan Southern Ry. and the Chesapeake & Ohio Ry. In 1914 control of the Kanawha & Michigan Ry. was again acquired, the Toledo & Ohio Central Ry. purchasing \$8,947,900 of the \$9,000,000 Kanawha & Michigan Ry. stock, issuing \$8,712,012 one-year Notes to pay for same.

The Toledo & Ohio Central Ry. guarantees the principal and interest of Kanawha & Michigan Ry. First Mortgage bonds (\$2,469,000), and jointly with the Hocking Valley Ry., the Kanawha & Hocking Coal & Coke Co. bonds (\$2,848,000), and Continental Coal Co. bonds (\$3,023,000).

The Kanawha & Hocking Coal & Coke Co. defaulted interest on its bonds, July 1, 1915. In October, 1916, the Court ordered the Toledo & Ohio Central Ry. and Hocking Valley Ry. to carry out the terms of their guaranty of the bonds.

The balance sheet as of December 31, 1915, showed Current Assets, \$2,879,955, and Current Liabilities (including \$10,719,012 Loans and Bills Payable), \$12,852,479. There was a credit balance to Profit and Loss of \$5,685,336.

Of the total freight tonnage handled a large proportion consists of bituminous coal.

The Toledo & Ohio Central Ry. owns all of the stock (\$2,500,000) and bonds of the Zanesville & Western Ry. (90 miles) operated separately. This road for the year ending December 31, 1915, reported a deficit of \$220,271, which amount was included in the Fixed Charges of the Toledo & Ohio Central Ry.

Jointly with five other lines in the New York Central System this company guarantees an issue of \$23,179,000 4½% New York Central Lines Equipment Certificates, due January, 1916, to January, 1928, inclusive. This company's share of the Equipment Obligations assumed amounted to \$3,057,774 (\$2,559,876) outstanding December 31, 1915.

TOLEDO, PEORIA & WESTERN RY.

See Table, page 123.

The Toledo, Peoria & Western Ry. is owned and managed by the Pennsylvania Co. and the Chicago, Burlington & Quincy R. R. On December 31, 1915, the Pennsylvania Co. owned \$2,011,200 of the stock, also \$1,248,000 of the \$4,895,000 First Mortgage 4% bonds, due July 1, 1917. The C., B. & Q. R. R. on June 30, 1915, owned \$2,011,200 of the stock and likewise \$1,248,000 of the bonds.

As of June 30, 1915, Current Assets were \$239,663 and Current Liabilities (including \$818,000 Bills Payable) were \$1,622,504. The balance to the debit of Profit and Loss was \$778,127, June 30, 1915. The bonds of this company mature July 1, 1917.

TOLEDO, ST. LOUIS & WESTERN R. R.

See Table, page 124.

On October 22, 1914, President W. L. Ross was appointed Receiver for this company, default having been made on the \$11,527,000 Chicago & Alton R. R. Collateral Trust bonds (see a following paragraph).

The preferred stock is entitled to non-cumulative dividends of 4% per annum before any dividend can be paid on the common stock. After 4% has been paid on the preferred all further dividends for that year shall go to the common stock.

In April, 1907, an initial dividend at the rate of 4% was paid on the preferred stock. Regular payments of 4% per annum were continued until January, 1912, when the dividend was passed. Dividend payments for 1910-11 exceeded surplus earnings by \$325,307, and the deficit for 1911-12, after payment of 2% on the preferred stock, was \$254,980.

The Detroit & Toledo Shore Line R. R. 4% bonds (present issue \$2,918,000) are guaranteed principal and interest jointly by the Toledo, St. Louis & Western R. R. and the Grand Trunk Western Ry., each company owning \$714,000 (one-half) of the capital stock. \$416,000 of the bonds were in the treasury of the Toledo, St. Louis & Western R. R. on June 30, 1916. The Detroit & Toledo Shore Line R. R. has paid dividends as follows: 1907-8, 4%; 1908-9, 6%; 1909-10 and 1910-11, 8% each; 1911-12, 16%; 1912-13, 8%; 1913-14, 8% cash and \$630,000 Detroit & Toledo Shore Line 4% bonds, 1914-15, 14% cash and \$82,000 bonds; 1915-16, 8% cash.

CONTROL OF CHICAGO & ALTON R. R.

In 1907 and 1909 this company purchased from the Chicago, Rock Island & Pacific Ry. the latter company's holdings (being a majority interest) of the stock of the Chicago & Alton R. R., viz.: \$6,480,000 preferred and \$14,420,000 common stock. In exchange for this stock the "Clover Leaf" issued two series of collateral bonds as follows, viz.: Series A (\$6,480,000 outstanding), which were exchanged dollar for dollar for Chicago & Alton R. R. preferred stock and Series B (\$5,047,000 outstanding) which were exchanged for Chicago & Alton R. R. common stock on a basis of \$35 in bonds for each \$100 in common stock. Both series of bonds now are entitled to interest at the rate of 4% per annum; Series B bonds bore interest at the rate of 2% per annum prior to 1912. These two series of collateral bonds are secured respectively by the deposit of the preferred and common stock of the Chicago &

Alton R. R., and mature August 1, 1917. The August, 1914, coupon and subsequent coupons have not been paid.

The "Clover Leaf" received in 1908-9 dividends on the Chicago & Alton R. R. stocks (4% on preferred and 4% on common) amounting to \$836,000. In 1909-10, the amount thus received by the "Clover Leaf" was \$547,600, being 4% and 2% respectively on the preferred and common stock. In August, 1910, the dividend was passed on the common stock of the "Alton." In July, 1911, the dividend on that company's preferred stock was passed. The "Clover Leaf" received in 1910-11, \$129,600 from dividends on this stock. The interest charges on the collateral bonds amounted to \$360,140 per annum, until July 31, 1912, since which date they have been \$461,080 per annum. See Chicago & Alton R. R.

A comparison follows showing the amount of equipment in service June 30, 1916, and that in service June 30, 1901:

	1916	1901	Increase
Locomotives	93	81	12
Passenger Train Cars	37	34	3
Freight Cars	2,807	3,141	dec. 334
Service Equipment	91	58	33

As of June 30, 1916, main track contained:

80 miles of 80-pound rail,	135 miles of 70-pound rail,
235 miles of 75-pound rail,	1 mile of 61½-pound rail

The balance sheet as of June 30, 1916, showed Current Assets \$1,739,062 and Current Liabilities \$2,617,773. The credit balance to Profit and Loss on that date amounted to \$2,529,643.

In June, 1916, application was granted the company to issue \$1,000,000 6% four-year Receivers' Certificates to have priority over mortgage bonds.

VANDALIA R. R.

See Table, page 125.

The first dividend (2%) was paid in August, 1905; thereafter dividends at the rate of 4% were paid to February, 1907, when the rate was raised to 5%. The rate of 5% was maintained to and including the payment made in February, 1911. In May, 1911, the dividend was reduced to 4% per annum. The November, 1911, dividend was deferred until December 28, when a dividend of ¾ of 1% was paid, making 4% paid during the calendar year 1911. Dividends were, prior to the dividend paid in 1911, paid quarterly, beginning February. 4% was also paid in December, 1912, and in December, 1913. No dividends were paid during 1914 and 1915. In January, 1916, 2% was paid.

In January, 1917, the Vandalia R. R. was consolidated with the Pittsburgh, Cincinnati, Chicago & St. Louis R. R. Stockholders of the Vandalia R. R. were offered \$85 in stock of the Consolidated Company in exchange for each \$100 of old stock.

The Vandalia R. R., was created in 1904 by the consolidation of the Terre Haute & Indianapolis R. R., St. Louis, Vandalia & Terre Haute R. R., Terre Haute & Logansport Ry., Logansport & Toledo Rv. and Indianapolis & Vincennes R. R.

As of December 31, 1915, the Pennsylvania Co. owned \$12,175,000 capital stock of the Vandalia R. R.

On December 31, 1915, there were outstanding \$17,008,000 Consolidated Mortgage 4% bonds. Consolidated Mortgage bonds are authorized to the amount of \$25,000,000, of which \$18,000,000 have been issued. Of the issued bonds \$992,000 have been retired by Sinking Funds.

On December 31, 1915, Current Assets were \$3,638,100, and Current Liabilities were \$1,711,368.

WABASH RY.

See Table, page 126.

See following paragraphs regarding the appointment of Receivers in December, 1911, and regarding Reorganization of Company late in 1915, as the Wabash Ry.

The preferred stock of the Wabash R. R. was entitled to dividends of 7% per annum. No dividends were ever paid.

RECEIVERSHIP.

Interest having been defaulted January 1, 1912, on the First Refunding and Extension 4% bonds, Receivers were appointed for the company. The *Wabash R. R.* had at the time of Receivership a floating debt of \$1,800,000.

As of June 30, 1915, \$15,950,000 6% Receivers' Certificates due August 1, 1915, were outstanding. These Receivers' Certificates and \$1,545,000 Equipment Notes were provided for in the Reorganization Plan (see following paragraph).

APPROPRIATIONS FOR BETTERMENTS.

From the surplus earnings as shown on the statistical page, the following sums were deducted, representing expenditures for additions, improvements, expenditures and appropriations for new equipment:

Year 1904-5.....	\$1,167,869	Year 1909-10.....	\$61,044
Year 1905-6.....	1,758,627	Year 1910-11.....	192,809
Year 1906-7.....	2,006,076	Year 1911-12.....	268,458
Year 1907-8.....	238,843	Year 1912-13.....	480,652
Year 1908-9.....	125,603	Year 1913-14.....	903,931
	Year 1914-15.....		783,043

The annual report for 1914-15 directs attention to the fact that \$602,188 was included in operating expenses in that year for extraordinary repairs and renewals against \$561,792 similarly included in operating expenses in 1913-14, \$677,309 in 1912-13, \$469,747 in

1911-12, \$278,958 in 1910-11, \$384,558 in 1909-10, \$193,530 in 1908-9, \$266,044 in 1907-8, \$1,227,691 in 1906-7, \$1,785,450 in 1905-6, \$2,169,277 in 1904-5 and \$2,097,437 in 1903-4.

WABASH-PITTSBURGH TERMINAL RY.

In 1903-4 the *Wabash R. R.* acquired all the stock of the *Wabash-Pittsburgh Terminal Ry.* (\$10,000,000); also \$6,600,000 First Mortgage bonds of that company.

In 1908 Receivers were appointed for the *Wabash-Pittsburgh Terminal Ry.* and for the *Wheeling & Lake Erie R. R.* (See *Wabash-Pittsburgh Terminal Ry.* and see *Wheeling & Lake Erie R. R.*)

The balance sheet of the *Wabash R. R.* as of *June 30, 1913*, showed among its assets "*Wheeling & Lake Erie R. R.* Three-year Notes and interest thereon" (\$8,000,000 guaranteed Notes matured August 1, 1908, not paid off), \$11,150,411; and among its liabilities, "*Obligations to Bankers, account W. & L. E. R. R. Note Matter,*" \$9,807,958. This obligation was in the form of a loan which fell due August 1, 1913, and was then defaulted, the collateral therefor having been bid in at auction by Kuhn, Loeb & Co. and Blair & Co., as managers of the syndicate which made this loan. The collateral consisted of \$3,500,000 *Wabash R. R.* First Refunding and Extension 4s and the \$8,000,000 *Wheeling & Lake Erie R. R.* Notes (secured by \$12,000,000 General Mortgage 4s of that company), with upwards of \$2,700,000 representing past due coupons and back interest.

GENERAL.

The *Wabash Ry.* enters Chicago over the *Chicago & Western Indiana R. R.*, of whose stock one-fifth, or \$1,000,000, is owned. This company has paid regular dividends at the rate of 6% per annum since 1896. The *Wabash R. R.* enters Buffalo over the *Grand Trunk Ry.* and *Erie R. R.* under a joint trackage agreement made in March, 1898. The *Wabash R. R.* paid in 1914-15 to the *Grand Trunk Ry.* as rental \$359,255 (\$360,625, 1913-14), and likewise paid to the *Erie R. R.* \$61,369.

On *June 30, 1915*, the *Missouri Pacific Ry.* and the *St. Louis, Iron Mountain & Southern Ry.* owned \$9,826,200 preferred stock (as against \$11,326,200 on June 30, 1909), \$2,826,200 common stock and \$2,913,200 First and Refunding bonds of the *Wabash R. R.* (against \$3,963,200 owned on June 30, 1908). These companies sold these bonds during 1915-16 and did not pay assessment on the stock.

REORGANIZATION PLAN.

A Plan of Reorganization for the *Wabash R. R.* was prepared under date of April 28, 1915, by the Joint Reorganization Committee. The plan was approved by Kuhn, Loeb & Co., which firm agreed to act as Reorganization Managers, and a syndicate headed

by this banking house was formed to underwrite the Plan, the main features of which were as follows:

A new company known as the Wabash Ry. was formed.

The nominal capitalization of the new company is \$205,118,000. (\$205,015,349 • June 30, 1916), compared with the capitalization of the former Wabash R. R. of \$222,319,377, a scaling down of \$17,-201,377.

Holders of the First Refunding & Extensions Mortgage bonds of the Wabash R. R., of which \$40,600,000 were outstanding, were to supply any part of the \$27,720,000 assessment which was not raised by the holders of the preferred and common stock. If the holders of the bonds failed to comply with this provision they were to receive only their *pro rata* share of any proceeds which were left after the settlement of all obligations and liabilities of the Wabash R. R. entitled to prior payment.

Any unpaid part of the \$27,720,000 was to be provided by the syndicate which underwrote the plan of reorganization.

The principal item to be paid from the new capital consisted of \$16,428,500 of Receivers' Certificates, due August 1, 1915. The expenses of reorganization and foreclosure were estimated at \$3,449,500. After meeting other immediate requirements it was estimated that there would be a working capital for the new company of \$3,500,000.

The new securities, as announced, consisted of:

(1.) New 5% non-cumulative profit-sharing preferred stock A to the amount of \$46,200,000, redeemable after five years, at the option of the new company, at 110.

(2.) New 5% convertible, non-cumulative preferred stock B to the amount of \$48,720,000, redeemable after five years, at the option of the company, at 110. This stock is convertible after August 1, 1918, into profit-sharing preferred stock A and common stock of the new company at the rate of \$50 par value, of profit-sharing preferred stock A, and \$50, par value, of common stock for each \$100, par value, of the convertible preferred stock,

(3.) Common stock to the amount of \$43,540,000.

(4.) 4% Gold Notes to the amount of \$1,500,000 to take up \$5,000,000 4½% Gold Notes, due May 1, 1913 (the Noteholders likewise received the \$5,000,000 First and Refunding bonds deposited as part collateral and paid the assessment thereon).

The amount of undisturbed obligations, that is, those obligations for which no exchange was contemplated, is \$65,118,000.

The fixed annual interest charges on the new securities, as proposed, will amount to only \$3,183,915, compared with \$5,795,278 under the former Wabash Company.

The two kinds of preferred stock and the common stock were divided as follows:

(1.) The holders of \$53,200,000 common stock, on payment of the \$30 a share assessment, received \$26,600,000, or 50% of the

amount of their holdings in the profit-sharing preferred stock A and \$23,940,000, or 45% of the amount of their holdings in the new common stock.

(2.) Holders of the \$39,200,000 preferred stock, upon payment of \$30 assessment, received \$19,600,000, or 50% of their holdings in profit-sharing preferred stock A and the same amount of the new common stock.

(3.) All of the \$48,720,000 convertible preferred stock B went to the holders of the \$40,600,000 first refunding and extensions mortgage bonds—that is, at the rate of 120% of their holdings. The interest coupon on these bonds of January 1, 1912, was paid in cash to the assenting holders.

Inasmuch as only a small number of preferred and common stockholders paid their assessment, the holder of each \$1,000 First Refunding and Extension bond was called on to pay \$654.82, receiving therefor \$1,091.38 in preferred "A" stock, \$1,200 in preferred "B" stock, \$1,027.59 in common stock and \$20 for January, 1912, coupons where not previously advanced by the Committee.

As of June 30, 1916, Current Assets (including \$3,134,671 cash and \$2,036,146 materials and supplies) were \$9,112,884. Current Liabilities amounted to \$5,657,821.

WHEELING & LAKE ERIE RY.

See Table, page 127.

In June, 1908, a Receiver was appointed for the Wheeling & Lake Erie R. R.

The \$8,000,000 5% Notes which matured on August 1, 1908 (guaranteed principal and interest by the Wabash R. R.) were not paid off and were purchased by a syndicate. \$12,000,000 General Mortgage 4% bonds (due 1955) were deposited as collateral for these Notes.

The sinking fund payments due January 1, 1915, and January 1, 1916, and, likewise, the coupons due July 1, 1915, and January 1, 1916, on the \$1,298,000 Equipment 5% bonds of 1922 were defaulted.

See a following paragraph regarding Plan of Reorganization.

HISTORY.

The Wheeling & Lake Erie R. R. first preferred stock and second preferred stock were entitled to non-cumulative dividends at 4% per annum in order of priority as mentioned. No dividends were ever paid. A controlling interest consisting of \$847,500 first preferred, \$6,423,800 second preferred and \$11,870,000 common was owned by the Wabash-Pittsburgh Terminal Ry. The above Wheeling & Lake Erie R. R. stock was distributed to Wabash-Pittsburgh Terminal Ry. bondholders under Reorganization (see Wabash-Pittsburgh Terminal Ry.)

CONDITION OF PROPERTY.

In the annual reports during recent years the Receiver has repeatedly outlined necessary improvements which must be made with as little delay as possible. These improvements will include the purchase of a large amount of new equipment. The locomotives in service are for the most part old and obsolete. Of the 205 locomotives in service on June 30, 1916, 77 were from 20 years to 33 years old, and 109 were from 11 to 19 years old. Only 20 locomotives were in service less than 11 years. The company owned (June 30, 1916), 9,127 cars in its freight service; of these about 6,932 were 11 to 25 years of age.

RECEIVERS' CERTIFICATES—FINANCES.

As of June 30, 1916, 6% Certificates to the amount of \$6,859,850 were outstanding. Also \$1,413,000 Receivers' Equipment Certificates.

On June 30, 1916, the Receiver's balance sheet and the company's balance sheet showed Current Assets of \$3,818,013 and \$118,274 respectively, and Current Liabilities of \$1,337,385 and \$12,130,350 respectively.

GENERAL.

In 1915-16, Products of Mines (largely bituminous coal) contributed 63% of total freight tonnage, against 54.4% in 1914-15. Manufactures increased from about 1,434,000 tons in 1907-8 (18.4% of total) to about 3,500,000 tons in 1915-16 (26.4% of total).

PLAN OF REORGANIZATION.

Under date of September 20, 1916, a Plan of Reorganization was announced. The amount of cash required under the Plan was \$9,984,708 which was to be raised by assessment. \$4,805,000 bonds remain undisturbed and \$11,697,000 Consolidated Mortgage 4% have the privilege of exchanging their bonds for Refunding Mortgage 4½% bonds of the new company. These latter bonds are authorized to the amount of \$50,000,000 and mature 1966. The maximum interest rate permissible is 6%.

Holders of the \$8,000,000 Notes due 1908 receive dollar for dollar for unpaid principal and interest new Prior Lien Stock (\$11,882,600), 7%, cumulative, redeemable at 115 after November 1, 1919, and convertible from that date into common stock.

Holders of stocks of the old company participated in the Reorganization under the following conditions:

	Paid.	Received new stock.	
		Preferred.	Common.
First Preferred Stock	\$27	\$27	\$100
Second Preferred Stock	27	27	90
Common Stock	27	27	87.50

The new preferred stock of the W. & L. E. Ry. is entitled to non-cumulative dividend at the rate of 6% per annum. The stock is convertible dollar for dollar into common stock after November 1, 1919 and is likewise redeemable at 105 after that date.

ATLANTA & WEST POINT R. R.

See Table, page 128.

The stock receives 6% per annum, payable January and July. In 1910, an increase in the stock to \$2,500,000 was authorized. Stockholders subscribed to new stock at par to the extent of 100% of their respective holdings, the proceeds from the sale of stock being used to retire \$1,232,200 Debenture Certificates.

On June 30, 1916, \$188,500 stock was held by the Central of Georgia Ry., \$153,250 stock was held by the Louisville & Nashville R. R., and \$158,550 by the Atlantic Coast Line R. R. On March 31, 1910, \$936,100 stock was owned by the Georgia R. R. and Bank-in^o Co. This stock has since been sold to the lessees of that company (Atlantic Coast Line R. R. and Louisville & Nashville R. R.) at \$135 per share to be held in trust by them until the termination of the lease in 1980, and to be returned at the end of such lease at the price named.

On June 30, 1916, the company carried, after all charges had been made, \$879,552 to credit of Profit and Loss. Furthermore, the report showed Additions to Property since June 30, 1907, through income and surplus, \$237,746. Current Assets (including \$677,448 cash) were on June 30, 1916, \$905,923 and Current Liabilities were \$84,461.

On June 30, 1916, the main track contained 3 miles of 100-pound rail, 8 miles of 90-pound rail and 81 miles of 80-pound rail.

During 1915-16 about 42% of the tonnage moved consisted of manufactures and merchandise.

ATLANTA, BIRMINGHAM & ATLANTIC RY.

See Table, page 129.

In January, 1909, Receivers were appointed for the Atlanta, Birmingham & Atlantic R. R. Reorganization was effected in December, 1915, as the Atlanta, Birmingham & Atlantic Ry. (See a following paragraph.)

The Atlanta, Birmingham & Atlantic R. R. was organized in 1905, to build extensions of the Atlantic & Birmingham Ry. from Montezuma, Ga., to Birmingham, Ala., and to Atlanta, Ga., with branch to Mulga, Ala., where is located the prominent coal and iron mines and properties controlled by the A., B. & A. R. R. The line to Atlanta, Ga., was completed in 1910.

COLLATERAL NOTES—REORGANIZATION.

To carry on the construction of the new lines described above, the Atlantic & Birmingham Construction Co. was organized. This company sold \$8,000,000 Collateral Trust 5% Gold Notes, due May 1, 1910. \$5,761,000 of these Notes were extended to May 1, 1915. At maturity, May 1, 1915, the principal was defaulted on the Notes. All of the collateral other than the securities of the Railroad was sold at auction June 22, 1915, to the Noteholders Committee and if not otherwise disposed of will be distributed pro rata among the Noteholders (see following). The Railroad property was also sold under foreclosure, subject to the \$4,090,000 A. & B. Ry. 5% bonds, to the General Protective Committee, June 5, 1915 (see following as to Plan of Reorganization of Railroad). The Notes referred to were a joint obligation of the Construction Co. and the Railroad and were secured by the deposit of \$5,005,000 bonds, \$5,600,000 preferred and \$17,000,000 common stock of the Railroad (a majority), and other securities, including \$4,000,000 common stock of the Woodward Iron Co. (\$10,000,000 common and \$3,000,000 preferred outstanding), which company purchased the assets of the Birmingham Coal & Iron Co., formerly owned by the A., B. & A. R. R., and \$750,000 bonds of the Brunswick Steamship Co. (previously owned).

Under date of December 15, 1915, a Plan of Reorganization was announced for the A. B. & A. R. R. The Atlantic & Birmingham Ry. 5% bonds were to remain undisturbed. Holders of the \$4,476,000 Receivers' Certificates which matured July 1, 1914, but which were not paid off received par for principal and interest July 1, 1914 to November 1, 1915, in 5% Income bonds, due November 1, 1930 (\$5,200,000 authorized). The A. B. & A. R. R. bondholders and stockholders did not participate in the Reorganization. \$30,000,000 stock was sold to a syndicate for \$3,600,000 (\$12 per share). The Receivers' Certificate holders were allowed to participate in the underwriting of this stock.

A new First and Refunding Mortgage for \$15,000,000 will be authorized, bonds to bear interest at not exceeding 5% per annum. The maturity date will not be earlier than October 1, 1935. No bonds will be issued at present.

The successor company is known as the Atlanta, Birmingham & Atlantic Ry.

DESCRIPTION.

The mileage of the A., B. & A. Ry. amounted, as of June 30, 1916, to about 638 miles, against 324 miles in operation June 30, 1906. The system, as completed, has its eastern terminus at Brunswick, Ga., where a belt railroad, extensive docks, water fronts, warehouses and other terminal properties are owned. At Sessoms (81 miles from Brunswick), the main line connects with a branch to Waycross, Ga. (26 miles). At Fitzgerald, Ga., there is a branch

to Thomasville, Ga. (80 miles). The Atlanta Division (78 miles) connects with the main line at Manchester, Ga.

Interest of 5% for the period November 1, 1915, to June 1, 1916, was paid on the Income Bonds.

Current Assets as of June 30, 1916, were \$2,137,270; Current Liabilities totalled \$720,192.

ATLANTIC COAST LINE R. R.

See Table, page 130.

The preferred stock of the Atlantic Coast Line R. R. is entitled to non-cumulative dividends of 5% per annum in priority to the common stock. The preferred stock receives 5% per annum. In 1904-5 the common stock received 5%. Late in 1905 the dividend on the common was raised to 6% per annum. The January, 1908, dividend on the common stock was paid in 4% certificates of indebtedness. The July, 1908, and the January, 1909, dividends were paid in cash at the rate of 5% per annum. In July, 1909, the rate was again raised to 6%, which rate was maintained until January, 1912, when the stock was placed on a 7% basis. In January, 1915, owing to the decrease in earnings caused by the European War the dividend rate was decreased to 5% per annum. In January, 1917, the dividend rate was again increased to 7% per annum. (Dividends, January and July.)

In January, 1914, the directors of the Atlantic Coast Line Co. of Conn., which at that time controlled the Atlantic Coast Line R. R., recommended to the stockholders that its \$17,640,000 stock be reduced one-half concurrent with the distribution to its stockholders of \$17,640,000 stock of the Atlantic Coast Line R. R. Each holder of \$100 stock of the holding company therefor received for his stock, \$100 in Atlantic Coast Line R. R. stock and \$50 in Atlantic Coast Line Co. of Conn. stock. The Atlantic Coast Line Co. of Conn. owns additional securities of the Railroad Co.

CHANGES IN CAPITAL STOCK.

In January, 1905, an extra dividend of 25% was paid on the common stock, of which 20% was in common stock scrip of the Railroad Company and 5% in the 4% certificates of indebtedness of the Atlantic Coast Line Co. of Connecticut.

New stock has been issued in recent years as follows:

1901-2 sold at par	\$7,259,800
December, 1902, to stockholders at \$125 (40%)	8,500,000
January, 1905 (as above)	7,330,000
March, 1906 (to stockholders at par)	4,557,600
1909-10 to 1915-16 (exchanged for convertibles*)	13,769,900
†December, 1912	6,250,500

*See a following paragraph.

†The proceeds of the \$6,250,500 stock subscribed for in 1912-13,

were largely used by the company to subscribe to new capital stock of the Louisville & Nashville R. R. (see that company).

In 1902 the preferred stockholders were given the option of exchanging their shares at the rate of \$100 in preferred stock for \$125 in 4% certificates of indebtedness. To June 30, 1916, \$18,653,100 preferred had been so exchanged for approximately \$23,315,000 certificates of indebtedness, leaving \$196,700 preferred stock outstanding. During 1909-10 practically all the certificates of indebtedness of the company were exchanged for Convertible Debenture bonds. See a following paragraph.

HISTORY.

The Savannah, Florida & Western Ry., which owned and controlled 2,234 miles, was merged with the Atlantic Coast Line R. R., July 1, 1902; at the same time possession was taken of the St. John & Lake Eustis R. R., of the Sanford & Lake Eustis R. R., and of the Florida Midland R. R. Also the properties of the Florida Southern R. R. and the Sanford & St. Petersburg R. R. were conveyed to the Atlantic Coast Line R. R. To pay indebtedness to Atlantic Coast Line Co. of Conn. to carry out the purchase of these lines and to retire \$12,451,000 4% bonds of the Savannah, Florida & Western Ry., as well as the \$5,500,000 certificates of indebtedness mentioned above and \$380,000 additional certificates, \$32,344,000 First Consolidated Mortgage 50-year 4% bonds dated July 1, 1902, were issued. On June 30, 1916, there were outstanding in the hands of the public \$50,888,000 First Consolidated 4% bonds. The balance of the \$51,326,750 First Consolidated bonds (total authorized issue) were held in the treasury of the company.

SECURITIES OWNED—LOUISVILLE & NASHVILLE R. R.

On June 30, 1916, there were held in the treasury the company's own bonds of a par value of \$21,019,658.

In 1902, the Atlantic Coast Line R. R. acquired \$30,600,000 of the \$60,000,000 capital stock of the Louisville & Nashville R. R. giving in payment therefor \$10,000,000 in cash; \$35,000,000 in 4% 50-year Collateral Trust bonds, secured by deposit of the Louisville & Nashville R. R. stock, and \$5,000,000 stock of the Atlantic Coast Line R. R. In 1912-13, \$6,120,000 additional Louisville & Nashville R. R. stock was acquired, making \$36,720,000 stock owned, of a total of \$72,000,000.

Altogether the Atlantic Coast Line R. R. is interested to the extent of a half interest or more (by stock ownership, lease or otherwise) in 12,989 miles of road (including 8,228 miles of other road) and 358 miles of steamship lines (Peninsula & Occidental Steamship Co.).

The following tables show the holdings of securities by the Atlantic Coast Line Co. of Conn., Atlantic Coast Line R. R. and the Louisville & Nashville R. R.:

I.

ATLANTIC COAST LINE CO. OF CONN.

June 30, 1916.

	Total Outstanding	Owned by A. C. L. Co.
Atlantic Coast Line R. R. common.....	\$67,557,200	*\$18,428,500
Atlantic Coast Line R. R. Class "A".....	1,000,000	162,100
Atlantic Coast Line R. R. Bonds.....	136,493,135	5,812,000
Charleston & Western Carolina Ry. stock	1,200,000	1,200,000
Charleston & Western Carolina Ry. 1st Cons. Bonds	2,380,000	†791,000
Nashville, Chat. & St. Louis Ry. stock (see below)	16,000,000	48,000

*Prior to March 10, 1914, the Atlantic Coast Line Co. of Conn. held \$36,072,800 (a majority) Atlantic Coast Line R. R. stock. On the date mentioned about one-half of this stock was distributed pro rata among the former company's stockholders.

†Central of Georgia Ry. owns balance of this issue.

NOTE:—Other securities are held including \$3,434,000 bonds of Industrial Cos'. (International Agricultural Corporation, Amalgamated Phosphate Co., etc), \$815,200 bonds and \$155,700 stocks of railroad lines affiliated with the Atlantic Coast Line R. R. System.

II.

ATLANTIC COAST LINE R. R.

June 30, 1916.

	Total Outstanding	Owned by A.C.L.R.R.
Louisville & Nashville R. R. stock.....	\$72,000,000	\$36,720,000
Richmond-Washington Co. stock.....	*2,670,000	*445,000
Atlanta & West Point R. R. stock.....	†2,462,600	†158,550
Western Ry. of Alabama stock	††3,000,000	††750,000
Columbia, Newberry & Laurens Ry. stock	‡500,000	225,400
Winston-Salem Southbound Ry.....(a)	125,000	62,100
Atlantic Land & Improvement Co. stock (b).....		3,000,000
Atlantic Land & Improvement Co. Ctfs. of Indebtedness (4%)		666,000
Chesapeake Steamship Co. stock	(c).....	200,000
Peninsula & Occidental Steamship Co. stock	(d).....	750,000
Old Dominion Steamship Co. ....(e)	1,500,000	(e) 120,000

NOTE:—Jointly with the Louisville & Nashville R. R. (controlled by A. C. L. R. R.—see following), this company leases the Georgia R. R. (344 miles).

*Owned jointly by six companies—see Richmond, Fredericksburg & Potomac R. R. †The Central of Georgia Ry. held June 30, 1915, \$188,500 stock and the Louisville & Nashville R. R. \$153,250 stock. The Atlantic Coast Line R. R. and Louisville & Nashville R. R. as lessees of the Georgia R. R. & Banking Co. also hold \$936,100 Atlanta & West Point R. R. stock. ††The Atlantic Coast Line R. R. and the Louisville & Nashville R. R. as lessees of the Georgia R. R. each hold \$750,000 of the stock, the balance \$1,500,000 is held by the Central of Georgia Ry. ‡The Seaboard Air Line Ry. owned \$83,350 additional of this stock. (a) Owned jointly with the Norfolk & Western Ry. The two companies in control jointly guarantee \$5,000,000 4% bonds of the W. S. S. B. Ry. (b) Paid \$272,313 in dividends during the year 1913-14 and \$62,395 during 1914-15. (c) Southern Ry. owns \$400,000 stock—operates steamship lines Baltimore to Norfolk and Richmond. (d) Operates steamships Tampa, Fla., to Key West and Havana; (e) Additional stock (June 30, 1916), held as follows: Chesapeake & Ohio R. R. \$120,000; Southern Ry., Seaboard Air Line and Norfolk & Western Ry., \$210,000 each.

III.

LOUISVILLE & NASHVILLE R. R.

Majority stock owned by A. C. L. R. R.

June 30, 1916.

	Total Outstanding	Owned by L. & N. R. R.
Atlanta & West Point R. R. (see above).	\$2,462,600	\$153,250
Chic., Ind. & Louisville R. R. pfd.	5,000,000	*1,936,700
Chic., Ind. & Louisville R. R. com.	10,500,000	*4,903,450
Louisville, Hend. & St. Louis Ry. pfd.	2,000,000	1,511,405
Louisville, Hend. & St. Louis Ry. com.	2,000,000	1,721,871
Nashville, Chattanooga & St. Louis Ry.	16,000,000	11,484,100
Western Ry. of Ala. (see above)	3,000,000	750,000

*Southern Ry. owns equal amount.

BONDS.

The stockholders in 1909 authorized (1) an issue of \$200,000,000 4% Unified Mortgage bonds; (2) \$23,562,500 4% 6-30-year Convertible Debenture bonds in order to provide an alternative method of retiring certificates of indebtedness, and (3) an increase in the common stock to an amount sufficient to retire the Debenture bonds. The proceeds of the mortgage bonds were to be used for refunding purposes, for double tracking and for new construction; sufficient bonds were reserved, however, to retire an equal amount of 4% certificates of indebtedness under the company's offer of exchange. Practically all of the certificates of indebtedness were exchanged for Debentures (see following).

To June 30, 1913, \$25,239,584 of the 4% Unified bonds had been issued, of which only \$9,667,000 bonds had been sold. As the bonds

under the Unified Mortgage could not be issued to bear interest at a higher rate than 4% per annum, the company decided to close the issue and authorized in its place a new General Unified Mortgage for \$200,000,000, issuable as follows: (1) to refund at par, Unified bonds, either in Treasury or outstanding, \$30,847,484; (2) reserved to retire Certificates of Indebtedness, preferred stock and underlying bonds, \$84,713,766; (3) reserved for future construction, additions, betterments, etc. \$84,438,750. The bonds mature 1964. Practically all of the Unified 4% bonds have been exchanged for the new bonds, \$37,424,908 of which had been issued to June 30, 1916 (including \$19,855,908 in Treasury).

The Convertible Debenture bonds were offered dollar for dollar, in exchange for the certificates of indebtedness; this offer was an alternative proposition to the one mentioned above to exchange for Unified bonds. The Convertible bonds mature 1939 and are convertible into common stock at 135 before January 15, 1920.

During 1909-10, \$23,072,300 of the Convertible Debenture bonds were issued in exchange for certificates and \$2,338,300 were sold at 98 and interest. \$18,589,365 of the Convertible Debenture bonds were exchanged prior to June 30, 1916, for \$13,769,900 common stock. There remained outstanding June 30, 1916, \$4,482,935 Convertible Debentures.

GENERAL.

In 1903-4 the Atlantic Coast Line R. R. received 5% on Louisville & Nashville R. R. stock. From 1904-5 until 1907-8 the rate was 6%. In July, 1908, the rate was reduced to 5%. The 6% rate was restored in August, 1909, and from February, 1910, to August, 1914, inclusive, semi-annual dividends at the rate of 7% per annum were paid. In February, 1915, the dividend rate was reduced to 5% per annum. In August, 1916, 3½% was paid; in February, 1917, 3½% was paid.

During the last few years new industries, such as factories, mills, etc., were located on the lines of the Atlantic Coast Line R. R. to a total number as follows: 1907-8, 154; 1908-9, 140; 1909-10, 168; 1910-11, 229; 1911-12, 215; 1912-13, 189; 1913-14, 207; 1914-15, 315; 1915-16, 266.

During the ten fiscal years 1906-7 to 1915-16, 1,925 miles of track (including second track) were laid with 85-pound rails.

The amount of equipment on hand June 30, 1916, as against June 30, 1903, compared as follows:

	1916	1903
Locomotives	820	451
Passenger Cars	678	505
Freight Cars	28,615	13,972
Work Equipment	1,172	396

CURRENT ASSETS.

Current Assets on June 30, 1916 (including \$15,763,640 cash) were \$23,587,769; Current Liabilities were \$6,089,792. The credit balance to Profit and Loss was \$33,583,626.

CAROLINA, CLINCHFIELD & OHIO RY.

See Table, page 131.

This company operates a line of railway from Elkhorn City, Ky., southward through western Virginia, eastern Tennessee and North Carolina to the South Carolina Line (260 miles), thence via Carolina, Clinchfield & Ohio Ry. of South Carolina (entire \$3,000,000 stock owned) to Spartansburg, S. C. (18 miles); total mileage operated June 30, 1916, including branch and 8 miles of trackage, 290 miles. This company is controlled by the Cumberland Corporation, and its line was constructed to provide an outlet to market for the vast deposits of coal, lying in what is known as the Clinchfield Coal Districts. This mileage included an extension from Dante, Va., northward (34 miles), to Elkhorn City, Ky. (completed July 1, 1915), where connections have been made with the Big Sandy Division of the Chesapeake & Ohio Ry., thus forming a short through route between the Middle West and a portion of Tennessee, the Carolinas, Georgia and Florida, and for commerce through the South Atlantic ports. The road is of the highest known type of construction. The main track is laid with 85 to 90-pound rail, and grades are reduced to a minimum. Although this railroad traverses largely a mountainous country, no grades exceed 1.2% northbound and 1% southbound. Bridges are of steel, equipment the best, etc.

The company has outstanding \$25,000,000 common stock and \$11,500,000 6% preferred stock (\$2,000,000 additional held in treasury); also \$13,750,000 First Mortgage 5% bonds due 1935 (\$150,000 additional in treasury and \$250,000 additional pledged); \$2,000,000 10-Year 5% Notes due 1919; \$5,500,000 Elkhorn Extension First Mortgage 5% Notes due 1917, and \$200,000 Lick Creek & Lake Erie R. R. 5% bonds. Semi-annual dividends of 3% were paid on the preferred stock from March, 1913, to September, 1914, inclusive.

The balance sheet as of June 30, 1916, showed Current Assets \$1,793,202 and Current Liabilities \$1,101,708.

As of June 30, 1916, main track contained:

2 miles of 105-pound rail,	5 miles of 80-pound rail,
3 miles of 90-pound rail	2 miles of 60-pound rail.
251 miles of 85-pound rail,	

Sidings contained 58 miles of 80 to 90-pound rail and 47 miles of lighter rail.

The general distribution of ballast in main track is as follows: 223 miles stone; 62 miles slag, and $4\frac{1}{2}$ miles of bridges.

Coal freight contributed 58% of the total earnings for 1915-16. On April 1, 1916, this company guaranteed principal and interest \$500,000 Black Mountain Ry. First Mortgage 5% bonds which mature \$25,000 annually commencing April 1, 1917.

The "Clinchfield" has also acquired the \$750,000 stock of the Holston Corporation, and has guaranteed principal and interest the 10-year 5% Notes of that company due April 1, 1926. The Holston Corporation owns valuable real estate at Kingsport, Johnson City and Erwin, Tenn., at Altapass, N. C. and at other points; also extensive terminals and coal docks at Charleston, S. C. Likewise there is owned \$1,500,000 preferred stock of the "Clinchfield." This property was acquired from the Cumberland Corporation.

A large area of land is owned at Southport, N. C., through the Southport Harbor Co. Entire \$2,000,000 stock owned by the "Clinchfield."

CENTRAL OF GEORGIA RY.

See Table, page 132.

INCOME BONDS—PREFERRED STOCK.

This company has outstanding \$15,000,000 6% cumulative preferred stock (issued to provide funds to retire practically the entire issue of Income bonds—see following). Dividends have regularly been paid on this stock since its sale in July, 1912. In 1912-13, 1913-14, 1914-15 and 1915-16, dividends of 5% each were paid on the common stock. The entire issues of preferred and common stocks are owned by the Illinois Central R. R. The preferred stock was purchased by the Illinois Central R. R. at par, the cash being used to pay off Income bonds (as stated). The \$5,000,000 common stock was purchased in June, 1909, from the late E. H. Harriman for \$3,474,279.

The Income bonds were entitled to non-cumulative interest of 5% per annum, the First Incomes in priority to the Second Incomes, and the Second Incomes in priority to the Third Incomes. Interest was regularly paid on the First Incomes, although not always at the full rate from 1901. The Second Incomes received 2% in 1904; 5% in 1905, 1906 and 1907; 2.821% in 1908; and 5% annually 1911 to 1916 inclusive. The Third Incomes received 5% yearly from 1905 to 1907; 1.458% in 1911, and 5% annually thereafter.

Following protracted litigation in various suits to collect additional interest instituted in behalf of the Income bondholders, an offer was made in 1911-12 to acquire the Income bonds, for the Illinois Central R. R., which controls the Central of Georgia Ry. as follows: For each First Income bond, \$950 for principal and \$63.76 for interest. For each Second Income bond, \$925 for principal and \$121.79 for interest. For each Third Income bond, \$900 for princi-

pal and \$195.42 for interest. Under the terms of this offer the Illinois Central R. R. acquired all excepting \$299,300 of the \$4,000,000 First Incomes; \$7,000,000 Second Incomes and \$4,000,000 Third Incomes. This cost the Illinois Central slightly over \$15,000,000.

SECURITIES OWNED.

The Central of Georgia Ry. owns a majority of the stocks of the Wrightsville & Tennille R. R., including as of June 30, 1916, \$70,000 (the entire issue) of preferred and \$278,575 of common. Also this road owns all the stock (\$1,999,200) and \$500,000 Certificates of Indebtedness of the Ocean Steamship Co., of Savannah; all of the stock (\$598,100) and bonds (\$800,000) of the Wadley Southern Ry.; also \$1,500,000 or one-half of the stock of the Western Ry. of Alabama, \$188,500 of the stock of the Atlanta & West Point R. R., and \$1,589,000 First Consolidated bonds of the Charleston & Western Carolina Ry.

GENERAL.

Under date of October 1, 1912, an issue of bonds known as the First Refunding Mortgage bonds was authorized. The bonds (\$80,000,000 authorized) will bear interest at not to exceed 5% per annum. The bonds have priority to the Consolidated Mortgage bonds (\$18,500,000 outstanding) on a portion of the mileage covered by the latter issue. Nearly one-half of the bonds will be used to retire underlying securities. Only \$122,000 of these bonds are outstanding, an additional \$7,717,000 are either in the Treasury or are otherwise available for the company's purposes.

On June 30, 1916, Current Assets were \$3,746,660 and Current Liabilities were \$2,518,422. There was a credit to Profit and Loss of \$2,649,366.

CHARLESTON & WESTERN CAROLINA RY.

See Table, page 133.

No dividends are being paid on this company's capital stock.

Formerly the Charleston & Western Carolina Ry. had outstanding an issue of \$2,380,000 5% Non-cumulative Income bonds. 2% was paid on these bonds in 1904, 3% in 1905, 5% in 1906, 5% in 1910 and 5% in 1911. In 1914 the Income bonds were retired, the holders receiving in exchange therefor par in First Consolidated Mortgage 5% bonds, due 1964 (\$10,000,000 authorized). bearing interest at 2% yearly for first two years, 3% for the next three years, 4% for the next five years and thereafter at 5% per annum. Additional bonds may be issued under this mortgage to retire \$2,720,000 First Mortgage 5% bonds, due 1946, and the Augusta Terminal 6% bonds due 1947, at maturity, and the balance is reserved for additions, equipment, etc.

The stock of this road, and \$791,000 First Consolidated Mortgage bonds are owned by the Atlantic Coast Line Co. (of Connecticut). The balance of the First Consolidated Mortgage bonds (\$1,589,000), is owned by the Central of Georgia Ry.

The balance sheet as of June 30, 1916, showed Current Assets (including \$874,847 cash and special deposits), as \$1,423,513 and Current Liabilities, \$284,914.

Main track on June 30, 1916, contained:

111 miles of 80-pound rail,	19 miles of 63½-pound rail,
62 miles of 70-pound rail,	11 miles of 60-pound rail,
27 miles of 65-pound rail,	112 miles of 56-pound rail.

CHESAPEAKE & OHIO RY.

See Table, page 134.

From October, 1899, to October, 1908, 1% annually was paid on the stock. In June, 1909, a quarterly dividend of 1% was paid and the annual rate of 4% was maintained to and including March, 1910. In June, 1910, the rate was raised to 5% per annum; in October, 1913, the rate was reduced to 4% per annum. Dividends were paid quarterly at this rate to and including June, 1914. In December, 1914, 1% was paid. No dividends were paid from that date until December, 1916, when 2% was paid.

CONTROL.

A majority of the capital stock was, until 1906, held by New York Central Lines and Pennsylvania System.

In 1909, the Kuhn, Loeb & Co. holdings, amounting to \$24,000,000, including about \$8,000,000 stock owned by the New York Central Lines, were disposed of to a syndicate headed by Edwin Hawley.

BONDS GUARANTEED.

The company is liable as guarantor of bonds not included in its liabilities as follows: Norfolk Terminal & Transportation Co. First Mortgage (\$500,000); Chesapeake & Ohio Grain Elevator Co. First Mortgage (\$820,000); Western Pocahontas Corporation First Mortgage and Extension Mortgages (\$884,000); Chesapeake & Ohio Northern R. R. 5% bonds (\$1,000,000).

The company is joint guarantor with the "Big Four" (Chesapeake & Ohio Ry. one-third) of the Louisville & Jeffersonville Bridge Co. first mortgage (\$4,500,000), and with five other roads (Chesapeake & Ohio one-sixth), of the Richmond-Washington Co., collateral trust mortgage (\$10,000,000).

LINES ACQUIRED.

The Chesapeake & Ohio Ry. owns \$8,825,800 par value common stock of the Hocking Valley Ry. (largely acquired in 1909-10 and 1910-11), of a total of \$11,000,000 outstanding. See Hocking Valley Ry. There was also owned on June 30, 1914, \$4,029,200 stock of the

Kanawha & Michigan Ry., which was disposed of in October, 1914, to the Toledo & Ohio Central Ry. The profit on the transaction \$1,119,315 was transferred to Surplus.

For payments on account of cost of the Chicago Line, the Chesapeake & Ohio Ry. received on account and now owns \$12,867,000 par value securities of the Chesapeake & Ohio Ry. of Indiana (283 miles), a company organized in 1910, which acquired, at foreclosure sale, the road formerly owned by the Chicago, Cincinnati & Louisville R. R. The results of operations of that line, the shortest between Cincinnati and Chicago, are included, from July 1, 1910, with those of the Chesapeake & Ohio Ry. The distance from tidewater at Newport News to Chicago via Chesapeake & Ohio Lines is 940 miles, comparing with the length of lines of other systems from tidewater at New York to Chicago, ranging from 906 to 998 miles.

CONVERTIBLE BONDS.

To finance these various purchases and for other purposes the Chesapeake & Ohio Ry., in 1910, sold to stockholders at 93½ \$31,390,000 of an authorized issue of \$37,200,000 20-year 4½% Convertible bonds, due February 1, 1930. These bonds may be called as an entire issue at 102½ and interest, and are convertible at par into common stock until February 1, 1920. These bonds are now secured by mileage covered by the new First Lien and Improvement bonds (see following).

The Indenture provides that as long as the conversion privilege exists the company shall not issue any preferred shares nor distribute any shares as stock dividend.

SECURED NOTES—NEW BONDS.

On June 1, 1914, \$28,500,000 Notes matured. To pay off these Notes and for other purposes the company sold to a syndicate \$33,000,000 5% Notes, due June 1, 1919. They were secured by \$40,270,000 First Lien and Improvement bonds. The company agreed that it would set aside from surplus earnings \$2,000,000 for the year 1914-15, \$3,000,000 for the year 1915-16, and \$4,000,000 for each of the three following years to be used for capital expenditures, including the retirement of Equipment Certificates and of Notes of this issue. These Notes were called for payment June 1, 1916, at 101. Profit and Loss for 1915-16 was debited \$330,207 Premium on this Note issue.

Under date of April 1, 1916, 5% Convertible 30-year secured bonds to the amount of \$40,180,000 were sold. They are secured by \$45,920,000 First Lien and Improvement Mortgage bonds, and are convertible into stock at \$75 per share to April 1, 1920; at \$80 per share to April 1, 1923; at \$90 per share to April 1, 1926, and at par to April 1, 1936. The proceeds of the issue were used largely to

retire the \$33,000,000 Notes called for payment June 1, 1916. Profit and Loss was debited in 1915-16, \$2,484,602 Discount and Expense on Securities issued.

The First Lien and Improvement Mortgage which has been authorized provides for an issue of \$125,000,000 bonds maturing December 1, 1930. The bonds are a mortgage upon the property subject to existing liens, and upon securities (bonds and stocks) of a par value of \$33,238,908, including practically all of the stock owned of the Hocking Valley Ry., the bonds and stock of the C. & O. Ry. of Indiana, and \$7,302,000 C. & O. General Funding and Improvement 5% bonds, due 1929 (issue limited to \$11,000,000).

In January, 1916, \$3,160,000 Equipment Trust 4½% bonds were sold, maturing serially July 15, 1916, to January 15, 1926.

GENERAL.

Main and second track (2642 miles, of which 481 miles second track) included, June 30, 1916:

6 miles of 125-pound-steel,	8 miles of 80-pound steel,
991 miles of 100-pound steel,	406 miles of 75-pound steel,
411 miles of 90-pound steel,	240 miles of 70-pound steel,
415 miles of 85-pound steel,	104 miles of 62-pound steel,
59 miles of lighter steel.	

Bituminous coal contributed about 70% of the total tonnage in 1915-16. Of the total tonnage carried in 1915-16 by the Chesapeake & Ohio Ry. about 80% originated on the lines of the company.

The construction of about 30 miles of a line known as the Chesapeake & Ohio Northern Ry. was begun during 1914-15. This railway, the entire stock of which is owned by the Chesapeake & Ohio Ry., is to extend from near Edington, Ky., to a point near Waverly, Ohio, on the Norfolk & Western Ry. Trackage rights have been arranged with the latter company so that a connection may be afforded with the Hocking Valley Ry. at a point near Columbus, O. A large portion of the cost of this extension will be provided for by the proceeds derived from the sale of the Kanawha & Michigan Ry. stock (about \$4,000,000). An issue of \$1,000,000 C. & O. Northern Ry. 5% bonds due 1945 were sold in December, 1915.

An interesting comparison can be made of the record for sixteen years of the Chesapeake & Ohio Ry. and the Norfolk & Western Ry. The former's gross earnings have increased since 1898-9 about \$36,000,000, while the latter's gross earnings have increased about \$45,000,000. In 1898-9 the earnings were about alike (\$12,000,000). The average mileage operated by the former in 1915-16 was 316 miles in excess of the latter's.

These two companies on June 30, 1916, had outstanding stock and bonds as follows:

	C. & O. Ry.	N. & W. Ry.
Common stock	\$62,792,600	\$108,154,400
Preferred stock	3,200	23,000,000
Bonds, Equipment Ctfs., etc.	181,535,170	107,849,500
Total	\$244,330,970	\$239,003,900
Included above are bonds convertible into common stock at par..	\$71,570,000	\$13,584,000

The entire surplus earnings of the C. & O. Ry. over and above nominal amounts paid out in dividends were, during the ten fiscal years to June 30, 1909, expended largely for improvements, additions and new equipment. The following statements are significant:

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR TEN FISCAL YEARS
TO JUNE 30, 1909.

	Dr.	Cr.
Balance June 30, 1899		\$2,147,580
Net Income to June 30, 1909		26,251,378
Dividends to June 30, 1909	\$6,816,499	
Discount on General Mortgage Bonds, Equipment Trust Certificates, etc. (net)	2,907,986	
Sundry Adjustments (Securities Written off, etc.), and Sinking Fund	1,628,345	
Additions to Property	15,172,273	
Balance June 30, 1909	1,873,855	
	\$28,398,958	\$28,398,958

There follows a statement, similar to the above statement, for the period from July 1, 1909, to June 30, 1916:

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR SEVEN FISCAL YEARS
TO JUNE 30, 1916.

	Dr.	Cr.
Balance June 30, 1909		\$1,873,855
Surplus 1909-10 to 1915-16		29,606,049
Dividends 1909-10 to 1915-16	\$15,226,030	
Profit on Kanawha & Michigan Ry. stock sold		1,119,316
Discount on Bonds, Notes (net) Sink- ing Fund and Sundry Adjustments (net)	10,383,296	
Balance June 30, 1916	6,989,894	
	\$32,599,220	\$32,599,220

On June 30, 1916, Working Assets (including \$3,231,713 material and supplies) were \$15,188,429; in addition, stocks and bonds

valued at \$5,486,775 were held unpledged. Working Liabilities were \$5,353,476.

During the period from July 1, 1909, to June 30, 1916, the company issued or assumed \$153,444,390 bonds and Notes and realized from same \$145,428,991. \$84,123,000 bonds, Notes or Equipment Obligations of the company were purchased or retired at a cost of \$84,719,147, making a net increase on bonds, etc., in the hands of the public of \$60,709,844. With the proceeds derived from the sale of these bond issues, etc., the Chesapeake & Ohio Ry. acquired during this period \$27,710,600 stocks and bonds of other companies (C. & O. Ry. of Indiana, Hocking Valley Ry., Kanawha & Michigan Ry., etc.), the cost of the same being \$27,645,942. Additional properties were acquired at a cost of \$4,192,869 and \$37,933,759 was expended for extensions, additions, betterments and equipment. The total amount expended during the above period (exclusive of company bonds purchased or retired) was \$69,772,570, an amount \$9,062,777 in excess of the net receipts through the increase in Capital Obligations issued.

The annual report for 1915-16 of the Chesapeake & Ohio Ry. states that the average Property Investment for the five fiscal years ending June 30, 1916 was \$241,023,252 (\$248,710,262, June 30, 1916; \$230,650,068, June 30, 1912), on which an average return of 4.49% was earned for the period.

FLORIDA EAST COAST RY.

See Table, page 135.

No dividends are being paid on the stock of this company.

The total amount of common stock is \$10,000,000 (all sold at par), of which \$5,000,000 was sold during 1913-14, and the proceeds used toward completing the line of road from Knight's Key to Key West (45 miles) and for improvements, etc.

The entire authorized issue of \$12,000,000 First Mortgage 4½% bonds, due June 1, 1959, have been sold.

\$25,000,000 non-cumulative 5% Income bonds due 1959 are outstanding. 3½% was paid on these Income bonds from earnings for the fiscal year 1909-10. 4% was paid in 1910-11, and 2½% each was paid in 1911-12, in 1912-13 and in 1913-14; 4% was paid in 1914-15 and 5% in 1915-16.

The line of this company originally extended from Jacksonville to Miami, Fla., with branches, about 460 miles. An extension southward from Miami to Key West (155 miles) was completed on January 22, 1912. From Key West this line has been connected by car ferries with Havana, Cuba (106 miles distant).

The earnings of this car ferry line for 1915-16 were \$829,549 and the expenses \$268,918; net earnings \$560,631.

On June 30, 1915, there was completed a branch line commencing at Maytown on the Titusville Branch and extending south 122

miles to the shores of Lake Okeechobee. A further extension, 18 miles of this branch is building.

On June 30, 1916, Current Assets (including \$577,313 material and supplies) were \$2,920,201. Current Liabilities, including \$2,940,381 Loans and Bills Payable, were \$5,003,382. There was a credit balance to Profit and Loss of \$1,050,049.

GEORGIA SOUTHERN & FLORIDA RY.

See Table, page 136.

The first preferred stock is entitled to non-cumulative dividends of 5% per annum, and is redeemable at par. The second preferred stock is entitled to non-cumulative dividends of 5% per annum. After 5% shall have been paid on the common stock all classes share alike. The first preferred stock is secured by a mortgage on the property, ranking prior to the First Consolidated Mortgage.

Dividends at the rate of 5% were paid on the first and second preferred stocks for number of years including 1915-16. In December, 1916, the semi-annual dividend of 2½% was paid. Dividend periods, May and November.

In 1902, this company made a First Consolidated Mortgage to secure \$10,000,000 4% 50-year bonds. Of these bonds, \$2,000,000 were issued to acquire the Atlantic, Valdosta & Western R. R., 107 miles (previously owned by the Southern Ry.), \$4,684,000 were reserved to retire bonds and the first preferred stock, and the balance for future requirements. (\$3,200,000 issued to June 30, 1916, of which \$1,200,000 were in the Treasury.)

The Georgia Southern & Florida Ry. is controlled by the Southern Ry., which owns approximately \$177,700 Georgia Southern & Florida Ry. first preferred stock, \$319,000 second preferred stock, and \$1,693,000 common stock; also, \$2,000,000 First Consolidated 4% bonds. The Macon & Birmingham Ry., La Grange to Macon, 105 miles, is owned by the Georgia Southern & Florida Ry., but operated independently. In 1908, a Receiver was appointed for this last named road. The gross earnings of the Macon & Birmingham Ry. for 1914-15 were \$128,743; net earnings were \$41,863, and there was a deficit for the year of \$57,929.

The Georgia Southern & Florida Ry. owns the stock of the Hawkinsville & Florida Southern Ry. (44 miles), and guarantees, principal and interest, \$606,000 5% bonds of that company. This road, which is operated separately, was leased for 45 years, from May 1, 1907, to the Gulf Line Ry. (total mileage of the two companies, 100 miles). The Gulf Line Ry. was purchased in 1912-13 by the Hawkinsville & Florida Southern Ry., and the two are virtually controlled and operated by the Georgia Southern & Florida Ry.

Including \$216,651 material and supplies on hand, the Current Assets on June 30, 1916, were \$874,206, and Current Liabilities

were \$705,571. The credit balance to Profit and Loss on June 30, 1916, amounted to \$1,554,301.

In 1902-3, Forest Products handled amounted to 547,075 tons, or 63.6% of the total tonnage; in 1915-16, Forest Products amounted to 283,041 tons, or 24.2% of the total tonnage.

MACON, DUBLIN & SAVANNAH R. R.

See Table, page 137.

\$3,200,000 stock is authorized, of which \$2,040,000 was outstanding on June 30, 1916. No dividends are paid. As of *June 30, 1915*, the Seaboard Air Line Ry. owned \$940,000 stock of this company.

The bonded debt of this company consists of an authorized issue of \$1,840,000 First Mortgage 5% bonds, due 1947, guaranteed principal and interest by the Seaboard Air Line Ry. \$1,529,000 of these bonds were outstanding 1916, and \$26,000 were in the Treasury. The balance (\$285,000), are reserved for improvements and betterments.

The balance sheet of June 30, 1916, showed Current Assets, \$138,456, and Working and Accrued Liabilities \$181,690. There was a balance to Profit and Loss of \$3,476.

NORFOLK SOUTHERN R. R.

See Table, page 138.

The property of the former Norfolk & Southern Ry. was sold on December 7, 1909, under foreclosure of the First and Refunding mortgage.

On May 5, 1910, the Receivers of the former Norfolk & Southern Ry. were discharged and the new company known as the Norfolk Southern R. R. took possession of the property.

In January, 1911, an initial quarterly dividend of $\frac{1}{2}$ of 1% was paid on the stock of the new company, which rate (2% per annum) was continued to and including January, 1914. In April, 1914, the dividend was passed.

PLAN OF REORGANIZATION.

The Plan of Reorganization provided for the formation of a new company and for the issuance of \$35,000,000 First and Refunding Mortgage 5% bonds, due 1961, and \$16,000,000 stock.

The bonds are secured by a mortgage upon all the property, including the stock and bonds of the John L. Roper Lumber Co. Bonds under the mortgage are issuable (total, \$35,000,000):

General Corporate purposes	\$8,100,000
To retire Underlying Bonds	3,130,000
Extensions, Betterments, Equipments, etc...	23,770,000

\$12,894,000 of the authorized bonds were issued to June 30, 1915, and the proceeds used to retire \$4,360,000 6% Notes and \$5,403,000

5% Notes, and the balance to provide funds for corporate purposes, equipment, etc.

The capital stock of \$16,000,000 was appropriated approximately as follows: \$1,142.80 in stock for each \$1,000 of old First and Refunding Mortgage bonds deposited. In this way it was intended to recognize on the basis of par in stock, the original cash investment in the property.

The fixed charges of the reorganized company amounted to \$583,344 in 1910-11, as against charges in excess of \$1,000,000 under the former basis of capitalization.

PROPERTY OF COMPANY.

The steam lines and extensions of this company's railroad system compromised 863 miles on June 30, 1916, extending from Norfolk, Va., and Suffolk, Va., on the north, to Edenton, N. C., and by construction of a 9-mile bridge across Albemarle Sound, to New Bern, Beaufort and other important points in eastern North Carolina. Branch lines running east and west connect the main lines with the cities of Raleigh, Goldsboro and Charlotte, N. C., and other important points. In addition, the company operates about 45 miles of electric road (Norfolk to Virginia Beach, Cape Henry, etc.). Furthermore the company owns the entire capital stock (\$1,000,000) and all the bonds (approximately \$5,000,000) of the John L. Roper Lumber Co. This company owns a number of mills with an annual capacity of 150,000,000 feet of timber, together with timber rights on lands (800,000 acres, of which 600,000 acres owned in fee) containing 3,000,000,000 feet of standing timber; also about 150 miles of fully equipped standard gauge logging railroads. The value of the properties of the John L. Roper Lumber Co. was estimated several years ago to exceed \$10,000,000.

In 1911-12, the Norfolk Southern R. R. acquired control of three railroads, all in North Carolina, namely the Aberdeen & Ashboro Ry. extending from Aberdeen to Ashboro (57 miles), with various branches (48 miles); the Durham & Charlotte R. R. extending from Troy (on the Aberdeen & Ashbow Ry.) to Colon on the Seaboard Air Line Ry. (50 miles), and the Raleigh & Southport Ry. extending from Raleigh (where connection is made with the Norfolk Southern R. R.) to Fayetteville (64 miles); in 1912-13 a connecting line (22 miles) was completed from Varina on the R. & S. Ry. to Colon. The three above companies were consolidated in 1911-12 into the Raleigh, Charlotte & Southern Ry. An extension westward from Mt. Gilead (on the Aberdeen & Ashboro Ry.) to Charlotte (53 miles) was completed in 1913. The Charlotte extension, it is expected, will in time add largely to the Norfolk Southern R. R.'s revenues. Extensive terminal facilities have been secured in the City of Charlotte.

On the table page of this book the revenues of the rail lines only are shown. The results of the Norfolk Southern R. R. Electric Division for 1915-16 were as follows:

	Gross	Net	Surplus
N. S. R. R. Elec. Div. (45 miles) ..	\$239,281	\$15,910	\$4,884

The combined earnings of the above lines and of the Norfolk Southern R. R. steam division were: Gross, \$4,591,924; Net, \$1,523,776; Surplus, \$391,010.

GENERAL.

The John L. Roper Lumber Co. earned in 1915-16: Gross, \$1,982,297; Profit from Operation, \$134,072; and Surplus, \$44,193 (Deficit in 1914-15 \$106,873; Profit \$113,683, 1913-14); 92,363,676 feet of lumber, logs, etc., were sold during the year.

Products of Forest contributed 42.3% of the entire freight tonnage in 1915-16.

The balance sheet of the Norfolk Southern R. R. as of June 30, 1916, showed Working Assets, \$862,988, and Working and Accrued Liabilities, \$815,146. Unextinguished Discount on Funded Debt, totalled \$1,057,990.

NORFOLK & WESTERN RY.

See Table, page 139.

The preferred stock is limited to non-cumulative dividends of 4% per annum.

Dividends are being paid quarterly; on the preferred beginning February, and on the common, beginning March. The common stock received 2% in 1901, and 3½% in 1902. 3% per annum was paid to December, 1905, when the annual rate was raised to 4%. In December, 1906, the annual rate was raised to 5%, but in June, 1908, dividend rate was reduced to 4% per annum. In December, 1909, the rate was increased to 5% and in December, 1911, was increased to 6%. In June, 1916, the regular quarterly dividend was raised from 1½% to 1¾%, and an extra dividend of 1% was paid. In September and December, 1916, 1¾% each was paid. In March, 1917, 1¾% regular and 1% extra was paid.

Appropriations from surplus earnings for betterments, etc., have been made as follows:

1901-2....\$2,500,000	1906-7....\$1,246,652	1911-12....\$1,372,065
1902-3.... 2,500,000	1907-8.... 1,360,000	1912-13.... 1,553,088
1903-4.... 2,000,000	1908-9.... 1,730,580	1913-14.... 2,093,918
1904-5.... 2,250,000	1909-10... 3,573,598	1914-15.... 1,534,095
1905-6.... 2,950,000	1910-11... 2,597,109	1915-16.... 9,053,278

In addition large sums have been advanced annually to provide for deficiency of interest on N. & W.—Pocahontas Joint bonds.

COAL PROPERTIES.

In 1901 the Norfolk & Western Ry. acquired the capital stock of the Pocahontas Coal & Coke Co. and joined with that company

in the issue of \$20,000,000 4% Purchase-Money Mortgage bonds, due December 1, 1941, in settlement for the purchase by the Coal Company of its lands and interest in lands. On June 30, 1916, \$17,407,000 bonds of this issue were outstanding. It is agreed between the Norfolk & Western Ry. and the Coal Company that the latter shall pay the principal and interest on these bonds, but this agreement does not affect the liability of the two companies or either of them to the holders of the bonds. Since 1906, a sinking fund of 2½ cents per ton of coal mined has been set aside for retirement of bonds. This sinking fund has totalled to June 30, 1916, \$2,341,292. The deficiency of interest on these bonds is provided for through an agreement between the Norfolk & Western Ry. and the Pennsylvania Lines West of Pittsburgh, a provision of which agreement is that these companies shall loan to the Pocahontas Company, without interest, in the proportion of two-thirds by the Norfolk & Western Ry. and one-third by the Pennsylvania Lines, such amounts as may be necessary to meet such deficiency.

The Pocahontas Coal & Coke Co. owed, as of June 30, 1916, account of these deficiencies, \$2,026,000 to the Norfolk & Western Ry. and \$1,013,000 to the Pennsylvania Co. There was likewise due by the Coal Company to the Norfolk & Western Ry., \$1,400,000 account of Advances for Property Expenditures. The Coal Company's report showed as of that date a debit balance to Profit and Loss of \$2,840,339. Profits of the Coal Company for 1915-16, were \$242,709, as compared with a deficit of \$15,790 for 1914-15.

Bituminous coal contributed 68% of the total tonnage carried in 1915-16, against 71% in 1914-15. Products of Mines contributed about 79% of the total tonnage handled in 1915-16.

There were in operation on this company's lines in 1915-16, 149 coal and coke companies. The number of coke ovens was 13,931.

As previously stated the freight tonnage handled by this road consists very largely of bituminous coal (68% in 1915-16). That the permanency of this traffic is assured may be assumed from the report made to the National Conservation Commission in 1908. This report stated that there remained available in the coal fields of West Virginia (from which this road obtains its tonnage), 230,389,000,000 short tons, or nearly 4,800 times the total production of 1907. The Norfolk & Western Ry. handled in 1915-16, 30,269,110 tons of bituminous coal (23,280,110 tons, 1914-15).

CONTROL.

In 1900-1 the Pennsylvania R. R., together with controlled roads, acquired control of this road through purchase of stock. On

December 31, 1905, \$11,000,000 preferred stock and \$22,830,000 common stock was owned by the Pennsylvania Lines.

In 1906 it was announced that the Pennsylvania R. R. had sold to Kuhn, Loeb & Co. all of its holdings in Norfolk & Western Ry. stock, excepting \$3,246,000 preferred and \$6,246,000 common, leaving the amount owned by the various Pennsylvania Lines, \$8,746,000 preferred stock and \$8,746,000 common stock.

In April, 1909, the Pennsylvania R. R. repurchased the Norfolk & Western Ry. stock previously sold (as above stated) to Kuhn, Loeb & Co. On *December 31, 1915*, the Pennsylvania Lines owned \$11,420,000 preferred stock and \$42,377,000 common stock; total \$53,797,000 stock. (See under Pennsylvania R. R.).

BETTERMENTS, CONSTRUCTION, ETC.

From the organization of the company October 1, 1896, to June 30, 1916, expenditures to the amount of \$41,545,902 were made from appropriations from income, for railroad lines, etc., equipment and for betterments to the property. The expenditures capitalized during the same period for construction, betterments, equipment, etc., amounted to \$104,950,849.

BONDS.

In 1904 there was authorized \$35,000,000 Divisional First Lien and General Mortgage bonds, due 1944. Bonds to be issued under this mortgage shall bear interest at a rate not exceeding 4%. \$23,000,000 of these bonds had been issued to June 30, 1916.

Stockholders in 1906-7 were offered the privilege of subscribing at par for \$14,576,000 and in 1909-10 for \$10,993,000 of an authorized issue of \$34,000,000 4% Convertible bonds. These bonds mature June 1, 1932. They are subject to call at the company's option after June 1, 1917, at 105 and interest and are convertible into common stock of the company at par, to June 1, 1917. Only \$1,771,000 of these bonds remained outstanding June 30, 1916, the balance having been converted into common stock.

Stockholders in 1912, subscribed at par for \$13,300,000 10-20-year Convertible 4% bonds, due 1932 (12½% of respective holdings). The bonds are convertible into common stock at par at any time prior to September 1, 1922. \$12,804,000 of these bonds had been converted into stock prior to June 30, 1916.

Stockholders in 1913, subscribed at 102½ for \$17,138,500 4½% 10-25-year bonds, due 1928 (15% of stock holdings), convertible into common stock at par, until September 1, 1923. \$15,607,000 of these bonds had been converted to June 30, 1916; \$1,213,000 additional of these bonds were in the Treasury June 30, 1916.

GENERAL.

Main and second track (2,619 miles, of which 2,072 main track) included, June 30, 1916.

690 miles of 100-pound steel,	119 miles of 67-pound steel,
1,495 miles of 85-pound steel,	34 miles of 60-pound steel,
144 miles of 75-pound steel,	142 miles of lighter weight.

56 miles of sidings contain 100-pound steel, 620 miles contained 85-pound steel, 45 miles contained 75-pound steel and the balance 52 to 67-pound steel.

During the year there were established upon the lines of the Norfolk & Western Ry. 81 new industries, against 40 in 1914-15, 63 in 1913-14, 103 in 1912-13, 88 in 1911-12, 65 in 1910-11, 88 in 1909-10, 35 in 1908-9, 62 in 1907-8, and 121 in 1906-7.

On May 1, 1911, there was placed in operation a line known as the Winston-Salem Southbound Ry. extending from Winston-Salem, N. C., to Wadesboro, N. C. (89 miles). This line forms a connecting link between the Norfolk & Western Ry. and the Atlantic Coast Line R. R. The proprietary companies, each owning one-half of the \$125,000 stock, guarantee an issue of this company's 50-year 4% bonds, amounting to \$5,000,000, which were sold in 1911. This company earned in 1915-16: Gross, \$609,993; net, \$276,725.

The balance sheet of the Norfolk & Western Ry. as of June 30, 1916, showed Current Assets, \$14,906,154, and Current Liabilities, \$5,374,040. There was a credit balance to Profit and Loss of \$16,990,752. In addition there was included in Corporate Surplus, \$26,072,381 Additions to Property through Income and Surplus.

GROWTH IN EARNINGS, CAPITALIZATION, ETC.

A comparison of the statements of the Norfolk & Western Ry. for 1915-16 with those for 1900-1, shows the following changes:

	1915-16	1900-1	Increase
Miles Operated	2,059	1,560	499
Gross Earnings	\$57,304,586	\$15,854,059	\$41,450,527
Maintenance Expenses	16,617,592	4,300,619	12,316,973
Fixed Charges	6,625,759	2,658,620	3,967,139
Surplus	20,624,059	4,157,831	16,466,228
Dividends Paid	9,232,636	1,554,616	7,678,020
Stock Outstanding	141,199,200	87,217,700	53,981,500
Bonds Outstanding	95,560,500	51,283,500	44,277,000
Miles Second, etc., Track	551 miles	83 miles	468 miles
Miles Sidings	1,313 miles	498 miles	815 miles
Ton Miles per Mile of Road	5,728,469	1,836,135	3,892,334
Pass. Miles per Mile of Road	131,269	55,103	76,166

Jointly with the Southern Ry., Seaboard Air Line Ry., Atlantic Coast Line R. R., and Chesapeake & Ohio Ry. this company owns

a controlling interest in the stock of the Old Dominion Steamship Co.

An interesting comparison can be made between the earnings, capitalization, etc., of the Norfolk & Western Ry. and the Chesapeake & Ohio Ry.

RICHMOND, FREDERICKSBURG & POTOMAC R. R.

See Table, page 140.

The guaranteed stock bears guaranteed interest—\$481,100 at 7% and \$19,300 at 6%. The dividend obligations stand upon the same footing as common stock, except that they do not carry voting power.

Dividends of 9% per annum have been paid for several years on all the stock and the dividend obligations. In 1907 an extra dividend of 25% was declared payable in dividend obligations.

In February, 1916, an extra dividend of 50% payable in dividend obligations was declared to holders of stock and of dividend obligations.

In 1901, the Richmond-Washington Co. was incorporated and acquired all of the capital stock and bonds of the Washington Southern Ry. (35 miles) and a majority (\$947,200) of the voting capital stock of the Richmond, Fredericksburg & Potomac R. R. (The Commonwealth of Virginia is likewise a large stockholder in the latter company.) The two roads maintain their corporate existence and their accounts are kept distinct. The Richmond-Washington Co. is owned jointly by the Pennsylvania R. R., Baltimore & Ohio R. R., Atlantic Coast Line R. R., Southern Ry., Seaboard Air Line Ry. and the Chesapeake & Ohio Ry. The Richmond-Washington Co. owns the total outstanding General Mortgage 3½% bonds of 1943, the \$947,200 common stock and \$828,800 dividend obligations of the Richmond, Fredericksburg & Potomac R. R., and the entire issue of stock, bonds and notes of the Washington Southern Ry., and has deposited these securities as collateral to the \$10,000,000 Richmond-Washington Co. Collateral Trust 4% bonds due June 1, 1943. These later bonds are authorized to the amount of \$11,000,000 and are guaranteed, principal and interest, by endorsement by the six proprietary companies, jointly and severally.

Practically the entire main and second-track operated by this company is laid with 100-pound rail.

The following sums have, during the past few years, been appropriated from surplus earnings for Additions and Betterments and for Special Contingent Fund.

Year 1904-5.....	\$100,000	Year 1910-11.....	\$204,394
Year 1905-6.....	158,717	Year 1911-12.....	204,214
Year 1906-7.....	76,000	Year 1912-13.....	270,613
Year 1908-9.....	151,851	Year 1913-14.....	220,881
Year 1909-10.....	277,859	Year 1914-15.....	201,918
Year 1915-16.....	\$430,167		

The expenditures from February, 1902, to June 30, 1916, for new construction, betterments and equipment amounted to approximately \$4,684,232.

The balance sheet as of June 30, 1916, showed Current Assets, \$1,750,076 and Current Liabilities, \$694,833. There was a credit balance to Profit and Loss of \$609,642.

SEABOARD AIR LINE RY.

See Table, page 141.

The preferred stock formerly had priority over the common stock for non-cumulative dividends at the rate of 4% per annum and was entitled to 2% additional after the common stock received 4%; thereafter all surplus was to go to the common stock. An initial dividend of 1% was declared on the preferred stock November, 1913. In February, May and August, 1914, 1% each was paid. In November, 1914, the dividend was passed. See final paragraphs as to new preferred stock of the Consolidated Co.

In January, 1908, Receivers were appointed for the Seaboard Air Line Ry., there being at that time a considerable floating debt. In October, 1909, an Adjustment Plan was adopted; see a later paragraph.

HISTORY—GENERAL.

As to interest in Richmond-Washington Company, see Richmond, Fredericksburg & Potomac R. R.

As of June 30, 1916, main and second track contained rails as follows:

45 miles of 90-pound steel,	190 miles of 68-pound steel,
492 miles of 85-pound steel,	79 miles of 63½ to 65-lb. steel,
97 miles of 80-pound steel,	568 miles of 60 to 60½-lb. steel,
1,213 miles of 75-pound steel,	503 miles of lighter weights.
259 miles of 70-pound steel,	

The balance sheet as of June 30, 1916, showed Current Assets of \$8,132,038, and Current Liabilities of \$5,063,695. The credit balance to Profit and Loss amounted to \$8,057,446. The company carried as an asset on June 30, 1916, \$10,878,129, representing Un-extinguished Discount on Securities.

\$940,000 of the \$2,040,000 of capital stock of the Macon, Dublin & Savannah R. R. (92 miles) was owned by the Seaboard Air Line Ry. (June 30, 1916), which company guarantees the \$1,529,000 outstanding 5% bonds of that company; also \$185,000 bonds of the Savannah & Statesboro R. R., \$550,000 bonds of the Raleigh & Charleston R. R., \$750,000 Tampa & Gulf Coast R. R. First Mortgage 5% bonds (stock not owned), \$200,000 Notes of the Tampa & Northern R. R. (See Macon, Dublin & Savannah R. R.)

In addition to the bonds named above, the Seaboard Air Line Ry. guarantees jointly with other roads \$12,657,000 bonds including the bonds of the Richmond-Washington Co. and of various bridge

and terminal companies. The Seaboard Air Line Ry.'s proportion of the bonds so guaranteed amounts to \$2,331,833.

The Seaboard Air Line Ry. owns the Baltimore Steam Packet Co., which has no indebtedness of any kind (\$400,000 stock carried at a book value of \$800,229); also \$210,000 stock of the Old Dominion S. S. Co. Surplus earnings from the Baltimore Steam Packet Co. in 1915-16 amounted to \$99,894 (\$37,617, 1914-15).

ADJUSTMENT PLAN.

On October 4, 1909, an Adjustment Plan was adopted, the main features of which were as follows:

Reorganization without foreclosure.

The original First Mortgage to secure \$75,000,000 4% bonds, of which \$12,775,000 are outstanding, remained undisturbed.

No assessment on common or preferred shares.

Payment of three defaulted coupons on First Mortgage bonds was made out of the funds in the hands of the Receivers.

Creation of a supplemental mortgage to secure an issue of \$125,000,000 4% Refunding bonds (see a following paragraph).

The retirement of \$14,651,000 5% bonds and notes at maturity in 1911.

Merging of the Atlanta & Birmingham Air Line Ry., Florida West Shore Ry. and other subsidiary lines, except the Macon, Dublin & Savannah R. R., with the Seaboard Air Line Ry.

Reduction of Annual Fixed Charges of the enlarged system from \$4,261,775 to \$3,288,710.

Exchange of General Mortgage 5% bonds of 1907 for Adjustment Cumulative Income bonds, dollar for dollar.

The company in 1909, recorded two mortgages authorized under the Adjustment Plan aggregating \$150,000,000; one mortgage was for \$25,000,000 of 5%, 40-year Adjustment Income (cumulative) bonds, and the other was for \$125,000,000 4% 50-year Refunding bonds. Of the \$25,000,000 Adjustment (Income) bonds, \$24,979,500 were issued immediately as follows: \$6,979,500 to holders of the General Mortgage 5% bonds (as per Plan) and \$18,000,000 to an underwriting syndicate at 70 less commission, these latter bonds, however, having been offered at 70 to the stockholders of the Seaboard Air Line Ry. and Seaboard Co. (formerly a holding company for Seaboard Air Line Ry. stock—since dissolved) to the extent of 30% of their total holdings. The full interest has been regularly paid on the Adjustment bonds.

\$24,010,000 of the Refunding bonds were sold largely to retire Collateral Trust 5% bonds mentioned above, and to retire Equipment Obligations and for betterments, etc., and \$24,667,000 are secured as part collateral for the First and Consolidated Mortgage (see following).

The new Income 5% bonds are subject to call at par and their lien is subsequent to that of the Refunding Mortgage, also to that

of the new First and Consolidated Mortgage 6% bonds (see second paragraph following).

In March, 1913, the Seaboard Air Line Ry. issued \$6,000,000 5% Notes. These Notes were retired at maturity, March 1, 1916, with a portion of the proceeds of First and Consolidated Mortgage bonds.

FIRST AND CONSOLIDATED MORTGAGE.

Under date of September 1, 1915, the Seaboard Air Line Ry. Co. authorized a new First and Consolidated Mortgage for \$300,000,000. A total of \$26,909,500 bonds have been issued under this mortgage bearing interest at the rate of 6% per annum. A portion of these bonds were sold in December, 1915; the balance was sold in December, 1916.

These bonds are direct obligations of the Seaboard Air Line Ry. Co., a consolidation of the Seaboard Air Line Ry. and the Seaboard Air Line Ry. Co. (formerly the Carolina, Atlantic & Western Ry.—see a following paragraph), and are secured by a mortgage upon about 416 miles of railroad, including the line extending from Hamlet, N. C., to Charleston, S. C., other lines in South Carolina, and a new low grade line under construction of about 86 miles from Charleston to Savannah, Ga. Definite provision has been made to retire all prior mortgages on this mileage, so that this new mortgage will promptly become a first lien thereon. They are further secured by pledge with the Trustee of certain securities, including \$46,667,000 Seaboard Air Line Ry. Refunding Mortgage 4% Bonds (being a majority of those outstanding). These Refunding Mortgage Bonds are secured by a first or by a general lien subject to bonds on about 3,047 miles of railroad. The Refunding Bonds pledged are prior in lien to \$25,000,000 Adjustment Mortgage (Income) Bonds.

The new First and Consolidated Mortgage was authorized as part of a constructive plan to provide for the future financing of the consolidated system, as the Seaboard Air Line Ry., in common with many other railroads, was dependent upon a mortgage limited to a 4% interest rate and inadequate in other respects. The mortgage securing the present issue contains modern provisions for the issuance of bonds in series, which may vary in maturity and rates of interest and redemption, and in other respects, insuring to the Company the best results under changing financial conditions, and a flexible method of financing its future requirements.

Approximately \$75,453,000 of the remaining bonds are reserved for refunding practically the entire debt of the system, except Adjustment Mortgage Bonds, and the rest of the issue is reserved for betterments and improvements, additions, acquisitions and extensions.

In November, 1915, the stockholders of the Seaboard Air Line Ry. voted to consolidate with the Carolina, Atlantic & Western Ry.

CONSOLIDATED CO.

The consolidated company is to have an authorized capital stock

of the same amount as the present Seaboard Air Line Ry., viz.: \$100,000,000 (par value \$100). Of this authorized amount there has been issued in exchange for securities of the consolidating companies (including treasury stock) 272,800 shares of preferred stock and 400,410 shares of common stock. The common stock is to be exchanged par for par for an equal amount of existing common stock of Seaboard Air Line Ry. and Carolina, Atlantic & Western Ry.

Of the 272,800 shares of preferred stock 22,800 shares are entitled to non-cumulative dividends at and up to the rate of 6% per annum before any dividends are declared on the common stock, and 250,000 shares are to be entitled to substantially the same rights to dividends prior to the common stock as is provided with respect to existing Seaboard Air Line Ry. preferred stock, namely, non-cumulative dividends at and up to the rate of 4% per annum before any dividend is declared on the common stock, and after 4% shall have been declared on the common stock in any year to additional non-cumulative dividends at the rate of 2% in such year, making 6% in all, said stock being hereinafter called for convenience "4% preferred stock." Each share of "4% preferred stock" is to be convertible at the option of the holder prior to July 1, 1921, into preferred stock at par entitled to non-cumulative dividends of 5% per annum before any dividend is declared on the common stock or at the option of the holder into $\frac{2}{3}$ of a share of 6% preferred stock and $\frac{1}{3}$ of a share of common stock. The said 22,800 shares of 6% preferred stock were exchanged for an equal par amount of Carolina Atlantic & Western Ry. Refunding 5% Bonds, and said 250,000 shares of "4% preferred stock" were exchanged for an equal par amount of the old Seaboard Air Line Ry. preferred stock. It is provided that all outstanding shares of the preferred stock shall be entitled to dividends in any year without preference or priority in time or order of declaration or payment between any of the shares thereof, but in the ratio of six dollars for each share of 6% preferred stock outstanding to four dollars for each share of 5% preferred stock outstanding and four dollars for each share of "4% preferred stock" outstanding until the 6% preferred stock shall have received dividends at the rate of full 6% and the other preferred shares shall have received dividends at the rate of full 4%, whereafter the 5% preferred stock, if any, may receive an additional amount up to the amount necessary to provide its full 5% dividend in such year.

SOUTHERN RY.

See Table, page 142.

The preferred stock is limited to non-cumulative dividends of 5% per annum. The company has the right to retire the preferred stock at par.

From January 1, 1897, to January 1, 1908, twenty dividends were paid on the preferred stock, to an aggregate amount of \$23,315,904. In 1907, 4% was paid against 5% for each of the years 1902 to 1906 inclusive. No dividends were paid during 1908, 1909 and 1910. In 1911, 2% was paid. In 1912, 4½% was paid. In 1913, 5% was paid. In April, 1914, 2½% was paid; in October, 1914, 2% was paid in 5% interest bearing scrip. In April, 1915, the dividend was passed.

From the surplus earnings of recent years the following sums have been deducted for improvements:

1904-5.....	\$1,056,549	1910-11.....	\$66,046
1905-6.....	999,827	1911-12.....	44,989
1906-7.....	536,334	1912-13.....	48,660
1907-8.....	122,707	1913-14.....	91,929
1908-9.....	78,285	1914-15.....	77,188
1909-10.....	52,373	1915-16.....	88,195

On January 1, 1909, the Southern Ry. in Mississippi (281 miles) was separated from the System and is being operated separately.

OWNERSHIP OF SECURITIES OF OTHER COMPANIES.

On June 30, 1916, the Southern Ry. owned securities of other companies operated separately as follows:

	Total Out- standing	Owned by Southern Ry.
Alabama Gt. Southern R. R. preferred...	\$3,380,350	\$1,725,000
Alabama Gt. Southern R. R. ordinary...	7,830,000	4,605,550
Augusta Southern R. R. preferred.....	350,000	296,000
Augusta Southern R. R. common.....	400,000	296,000
Chicago, Ind. & Louisville Ry. preferred	*5,000,000	*1,936,700
Chicago, Ind. & Louisville Ry. common..	*10,500,000	*4,903,450
Georgia Southern & Fla. Ry. 1st pfd.....	684,000	177,700
Georgia Southern & Fla. Ry. 2d pfd.....	1,084,000	319,000
Georgia Southern & Fla. Ry. common...	2,000,000	1,693,000
Georgia Southern & Florida Ry. 1st Cons. 4% bonds	2,000,000	2,000,000
Mobile & Ohio R. R. com. stock.....	†6,020,600	†5,670,200
Mobile & Ohio R. R. General Mortgage 4% bonds	9,472,000	8,267,000
Virginia & Southwestern Ry. stock.....	†2,000,000	†2,000,000
Ala., N. O., T. & Pac. Jc. Rys. shares.... (a)	£4,000,000	(a) £425,472
Old Dominion Steamship Co..... (b)	1,500,000	(b) 210,000
Chesapeake Steamship Co. stock.....	400,000	361,713
Carolina & Northwestern Ry. 5% bonds..	1,528,000	1,528,000
Caldwell & Northern R. R. 5% bonds....	543,000	543,000

Among other securities held were \$445,000 Richmond-Washington Co. stock, \$2,000,000, New Orleans Terminal Co. stock, \$16,600 Southwestern Construction Co. stock, etc.

**The Louisville & Nashville R. R. owns an equal amount of stock. To acquire this stock these companies issued \$11,827,000 4% 50-year*

joint bonds, secured by \$3,873,400 preferred stock and \$9,796,900 common stock of the Chicago, Indianapolis & Louisville Ry.

†Controlled through ownership of stock and bonds purchased in 1901. See Mobile & Ohio R. R. The Southern Ry. received in 1915-16 about \$226,808 dividends on Mobile & Ohio R. R. stock owned, and paid out \$226,808 dividends on its Mobile & Ohio R. R. Stock Trust Certificates.

‡Acquired 1906. Leased since July 1, 1916, to Southern Ry.

(a) This is the Southern Ry.'s proportion (one-fourth) of 63,785 preferred "A" shares and 106,404 deferred "B" shares owned jointly by the Southern Ry., Alabama Great Southern R. R., Cincinnati, New Orleans & Texas Pacific Ry. and Mobile & Ohio R. R. The three last named companies are controlled by the Southern Ry. directly or indirectly. The holdings of the Southern Ry. System in the stocks of the Alabama, New Orleans, Texas & Pacific Jc. Rys. (£1,701,910) as of June 30, 1916 (see following) was equal to over 42.5% of the total. The Alabama, New Orleans, Texas & Pacific Jc. Rys. controls through stock ownership the Alabama & Vicksburg Ry., and the Vicksburg, Shreveport & Pacific Ry. (see these companies), and also formerly owned a large interest in the Cincinnati, New Orleans & Texas Pacific Ry. Until November, 1916, the New Orleans & Northeastern Ry. was likewise controlled. This stock was recently disposed of to J. P. Morgan & Co., acting on behalf of the Southern Ry., affording the latter a direct entrance into New Orleans. At the same time the management of the Southern Ry. stated that all interests in the Alabama & Vicksburg Ry. and Vicksburg, Shreveport & Pacific Ry. had been disposed of.

(b) Additional stock of this company was held June 30, 1916, as follows: Seaboard Air Line Ry., \$210,000; Atlantic Coast Line R. R., \$120,000; Chesapeake & Ohio Ry., \$120,000; Norfolk & Western Ry., \$210,000.

The Alabama Great Southern R. R., the Cincinnati, New Orleans & Texas Pacific Ry., the Mobile & Ohio R. R., and the Georgia Southern & Florida Ry. are operated separately. The four roads comprise approximately 2,160 miles of road.

Jointly with various railroad companies, the Southern Ry. guarantees as to principal and interest, bonds of various terminal, station and bridge properties (including originally jointly with the Frisco, the \$14,000,000 4% bonds of New Orleans Terminal Co.) to the total amount of about \$38,490,000. The Southern Ry.'s proportion of these guaranteed bonds amounts to a total of \$20,331,667.

FINANCIAL AND GENERAL.

In 1906, a new mortgage was authorized, the Development and General Mortgage, securing 50-year 4% bonds of an authorized amount of \$200,000,000. Under this mortgage \$15,000,000 were issued immediately and \$185,000,000 were reserved for specific purposes, including \$99,834,000 to provide for future acquisitions and

betterments, and \$65,166,000 to retire existing bonds and equipment obligations. To June 30, 1916, there had been issued, under this new mortgage, bonds to the amount of \$99,807,000 of which \$61,333,000 were outstanding in the hands of the public. There remained in the treasury unpledged on June 30, 1916, \$13,207,000 of these bonds while an additional \$25,267,000 were pledged as collateral for Notes. A part of the proceeds from the sale of bonds issued under this mortgage in 1908-9 was used to pay off \$16,000,000 Notes, which matured April 1, 1909.

\$5,000,000 Three-Year 5% Notes were sold February 1, 1913, and the proceeds, together with treasury funds available were used to retire \$10,000,000 Notes due 1913. These Notes were paid off at maturity with the proceeds of \$5,000,000 5½% Notes due February, 1917.

In February, 1914, \$10,000,000 5% Notes, due March 2, 1917, were sold. These Notes are secured by \$16,667,000 Development and General Mortgage 4% bonds. See a following paragraph regarding the issue of Atlanta & Charlotte Air Line Ry. 4½% bonds, due 1944. (\$16,000,000 to November 30, 1916.)

Late in 1916 a new mortgage to secure \$500,000,000 bonds was created, the bonds to mature not later than 1999 with interest fixed by the Board of Directors. \$61,333,000 Series "A" bonds under this mortgage bearing interest at 4½% will be offered dollar for dollar in exchange for outstanding Development and General Mortgage bonds and \$34,959,000 Series "B" will be delivered to the Company in exchange for Development and General Bonds held in Treasury.

In 1915-16 there was charged to Profit and Loss \$168,497, representing net discount on securities sold; these charges extinguished the discount on bonds. Similar charges were made in 1913-14, 1912-13, 1911-12, 1910-11, 1909-10 and in 1908-9 to the amounts of \$168,497, \$110,350, \$1,716,680, \$3,125,815, \$3,098,269 and \$3,721,714.

In 1915-16, 496 miles were operated under trackage rights. The balance of the mileage operated, consisted, June 30, 1916, of:

2,544 miles of 85-pound steel,	127 miles of 65 to 68-pound steel,
1,286 miles of 80-pound steel,	897 miles of 60 to 62-pound steel,
1,130 miles of 75-pound steel,	865 miles of 56 pounds and less.
186 miles of 70-pound steel,	

As of June 30, 1895, only 204 miles of road contained rail of 75 to 80-pound steel. The balance was largely 62-pound steel and lighter weights.

On June 30, 1916, Current Assets were \$26,366,242 and Current Liabilities were \$15,715,797.

During 1915-16, 684 new industries with a capital of \$35,244,550 were established along the lines of the Company.

HISTORICAL REVIEW.

In a circular, dated June 30, 1914, to holders of Voting Trust Certificates for common and preferred stock of the Southern Ry.

the Voting Trustees referred to the growth and progress of the Southern Ry. and the industrial development of the territory served by the railway. Regarding the progress of the railway they stated as follows:

At the close of the first year of its operations on June 30, 1895, Southern Ry. operated 4,392 miles, including the lines (principally within nine States) owned directly, those controlled by ownership of securities and operated by the Company, those leased, those operated under agreements, and those on which trackage rights were exercised.

On June 30, 1913, the miles so operated were..... 7,037
An increase of 2,645 miles.

In the same period the revenues of the Company have increased as follows:

	1895.	1913.
GROSS REVENUES	\$17,114,792	\$69,676,720
Average per mile of road operated	\$4,135	\$9,903

Equal to an average annual increase each year over the preceding year of 7.7%.

Income has increased as follows:

	1895	Increase	1913
Gross Income	\$5,141,615	143%	\$21,221,686
Average per mile of road operated..	\$1,242		\$3,016
The deductions from Income, excluding dividends, were	\$4,245,870	96%	\$14,191,721
Per mile of road	\$1,026		\$2,017
Net Income	\$895,745	36%	\$7,029,965
Per mile of road	\$216		\$999

The increase in the service performed in attaining these results is shown by the following statistics of the density of freight and passenger traffic:

	1895.	Inc.	1913.
Ton Miles Revenue Freight..	1,098,932,884	145%	4,577,486,801
Ton Miles Per Mile of Road..	265,479		650,617
Freight Revenue Per Mile of Road	\$2,613	144%	\$6,388
PASSENGER:			
Passenger Miles	178,015,925		844,801,198
Passenger Miles Per Mile of Road	43,005	179%	120,075
Revenues from "Passenger Trains Per Mile of Road	1,349	131%	3,118

FINANCIAL PLANS.

(Voting Trustees' Circular June 30, 1914.)

"The plan for the reorganization of the properties controlled prior to 1894 by the Richmond Terminal Co. provided for the

creation by Southern Ry. of common stock in the amount of \$120,000,000, and of Non-Cumulative 5% preferred stock in the amount of \$60,000,000, and also for the creation of a First Consolidated Mortgage to secure a total authorized issue of \$120,000,000 of 5% 100-Year Bonds. All of the stock so created and \$21,911,000 of said First Consolidated Mortgage bonds were issued under the plan, at or immediately after the organization of Southern Ry. Co., to the Reorganization Committee, in exchange for, or were sold for the acquisition of properties or securities of old companies and for a limited credit for improvements. Provision for new capital was made only by the reservation of \$20,000,000 of such First Consolidated Mortgage bonds to be issued, and subsequently they were issued, at the rate of not exceeding \$2,000,000 per annum for additions and betterments which have been made. The remainder of the First Consolidated Mortgage bonds were reserved to acquire and refund underlying bonds of the old companies, and during the period under review such underlying bonds have been retired to the aggregate amount of \$16,621,900. As those old bonds bore various rates of interest, many exceeding 5%, there has resulted an annual saving of 1.31% in interest charges on the capital represented by the bonds so retired.

"The growth of the property soon outstripped this original financial plan, with the result that the lines of railroad acquired during the period from 1894 to 1906 were largely financed through the creation of prior lien and purchase money bonds issued upon the properties acquired. To meet the growing needs for the development of the property, the Development and General Mortgage was created in 1906 to secure a total authorized issue of \$200,000,000 of 50-Year Bonds, to bear interest at a rate not to exceed 4%, and such bonds were appropriated by the terms of the mortgage to refund Divisional Prior Lien Bonds upon properties acquired since the First Consolidated Mortgage was created, and to provide new capital for additions and betterments at a rate of not exceeding \$5,000,000 per annum. There have been marketed, and are now outstanding (at time of preparation of Voting Trustees' Circular) in the hands of the public, Development and General Mortgage Bonds aggregating \$61,333,000, while \$26,557,000 additional of such bonds have been taken into the Treasury of the Company to represent expenditures made for additions and betterments to the property out of current revenues of the Company. Pending the marketing of these bonds, various issues of short term notes have been made, all of which have been retired except \$5,000,000, which will mature in 1916 (since retired—Ed.), and \$10,000,000 which will mature in 1917.

"Negotiations have also been concluded under which the stockholders of the Atlanta & Charlotte Air Line Ry. have consented to the issue by that Company of its First Mortgage bonds to the authorized amount of \$20,000,000, of which \$5,500,000 have been

issued and sold (\$16,000,000 to November, 1916—Ed.), to retire a corresponding amount of outstanding bonds of that Company now pledged under the Southern Ry.'s First Consolidated Mortgage. The amount so paid to retire such bonds will be available for the completion of the double track on all of the main line between Washington and Atlanta, except the Atlanta and Charlotte Air Line. It is expected that the balance of the \$20,000,000 of bonds so authorized will be sold from time to time during the next five years and the proceeds applied to complete the double track on the Atlanta and Charlotte Air Line, so that the entire main line from Washington to Atlanta, 649 miles, will be double tracked.

"During the same period the proceeds of the \$10,000,000 of short term notes issued by the Southern Ry. during the current year (1913-14) will be applied to the provision of increased yards, shops and other terminal facilities, so that it may now be stated that provision has been made to equip the Southern Ry. with a complete double track main line from Washington to Atlanta and with adequate shops and terminal facilities at its principal terminals.

"The acquisition of additional rolling stock has been financed chiefly through equipment trusts."

PHYSICAL DEVELOPMENT.

(Voting Trustees' Circular, June 30, 1914.)

"As the result of the financial plans outlined above and the policy followed during the early years of the history of the Company of making additions and betterments to the property through operating expenses and income, expenditures have been made for additions to the Company property from July 1, 1894, to July 1, 1913, as follows:

BETTERMENTS THROUGH NEW CAPITAL:

New Equipment	\$35,539,827
Additions and Betterments, such as double tracks, side and passing tracks, terminals, yards, stations, heavier rail, bridges and improved buildings	44,263,176
Real Estate—Right of Way	3,869,041
Construction of new lines and extension of existing lines	10,731,421

\$94,403,465

BETTERMENTS THROUGH INCOME:

Various improvements, additions and betterments, the cost of which was charged against operating expenses or income, representing the expenditures, over and above ordinary maintenance expenses, of approximately

30,000,000

Total (say)

\$124,403,465

These expenditures have secured results of physical development which may be stated generally as follows:

On June 30, 1895, the entire operating mileage was single track. On June 30, 1913, 385.39 miles of double track (491.42 miles to June 30, 1916) largely equipped with automatic signals, had been provided on grades and alignment substantially revised in the interest of economical operation, and in addition the ratio of side track mileage to total main miles operated, excluding trackage rights, had increased from 16.52% in 1895 to 35.02% in 1913.

All the old iron rail in track has been replaced with steel of modern section and increased weight.

Wooden bridges have been generally replaced with steel structures.

Many of the principal terminals, both passenger and freight, have been enlarged and reconstructed, and modern freight classification yards and terminals have been provided at several places.

Modern shops have been constructed at Coster, Tenn., and at Spencer, N. C., and existing shops at other points have been enlarged and modernized.

There is much more work of this general character to be undertaken to keep the plant abreast of the commerce which it may be expected to handle.

The rolling stock equipment has been increased as shown by the following statement:

	1895.	1913.
Locomotives	623	1,632
Passenger-Train Cars	487	1,157
Freight-Train Cars	18,924	49,512
Freight-Train Cars per mile of road operated	4	7

The new equipment provided is of largely increased power and capacity and of modern construction."

FINANCIAL RESULTS.

(Voting Trustees' Circular, June 30, 1914.)

"The growth of the investment and of the financial resources of the Company is indicated by the following figures:

PROPERTY INVESTMENT:

	1895.	1913.
Road	\$228,639,979	\$307,962,970
Equipment	6,010,803	65,502,224
Securities	7,609,801	68,151,367
Material and Supplies, including rail leased	919,430	5,744,877
Advances to proprietary companies..		408,235
	<hr/>	<hr/>
	\$243,180,013	\$447,769,673

Per mile of road:

Owned	\$85,565	\$103,481
but in view of the fact that much of the property investment represents the securities of lines included in the operated system, but not owned directly, this can be stated more fairly as		

Owned, Controlled and Leased....	\$55,992	\$67,331
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The current or working assets and liabilities of the Company for the two periods, not included in the above investments, were:

	1895.	1913.
Current assets, including bonds issued or assumed, in Treasury unpledged	\$3,851,022	\$40,826,418
Current Liabilities	3,172,379	13,665,017

Balance Current Assets	\$678,643	\$27,161,401
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In considering these figures it may be noted that the Company has, since its organization, pursued the policy of stating its operations, both revenues and expenses, on basis of accruals and of making provision in its operating results for all direct liabilities, so far as known. To this end, it created, and during its life has maintained, a system of reserves through the medium of which all known but unmatured operating liabilities have been currently charged to either revenues or expenses.

The credit balance in this account on June 30, 1895, was	\$445,314
On June 30, 1913, it was.....	3,172,190

In addition to which there has been written off to operations depreciation on equipment to the extent of	14,321,747
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And provision has been made for unmatured interest, rents and taxes, to the extent of.....	2,554,226
--	-----------

A fire insurance fund has also been created, which consists of an accumulation of net premiums and interest accrued on the funds investments, aggregating,....	989,354
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Represented, as of June 30, 1913, by current interest bearing securities	\$868,290
Cash	121,064
	<hr/>
	989,354

The credit balance in Profit and Loss, after making provision therein for the reserves above referred to and after charging off \$12,502,967, representing the entire net discount on securities of the Company sold, was

On June 30, 1895	\$895,745
And on June 30, 1913, it was	17,374,558
(\$28,248,599, June 30, 1916—Ed.)	

During the period the Company has paid aggregate dividends on its preferred stock amounting to \$30,758,904, equal to an average of 2.76 per cent. per annum."

CO-OPERATION IN THE DEVELOPMENT OF THE SOUTH.

(Voting Trustees' Circular, June 30, 1914.)

"The Southern Ry. maintains a Land and Industrial Department the purpose of which is to check emigration from, and to influence immigration to, the South, and at the same time to serve as a clearing house of information of industrial opportunities and to promote the establishment and development of manufactures in the Southern States.

Under the influence and co-ordinated effort of this Department the movement of people into the South has reached substantial proportions and is steadily on the increase.

On the purely industrial side, the records of the Land and Industrial Department show that, during the years from 1900 to 1913, inclusive, 8,337 new manufacturing plants of various kinds, representing an investment aggregating \$500,000,000, were located on the lines of Southern Ry. During the same period additions were made to 2,486 factories already located on those lines at an aggregate outlay of additional capital amounting to \$100,000,000."

VIRGINIA & SOUTHWESTERN RY.

See Table, page 143.

The entire capital stock (\$2,000,000) is owned by the Southern Ry. An initial dividend of 5% was paid in June, 1912. 5% each was also paid in June, 1913, February, June and December, 1914, June and December, 1915 and June, 1916.

Under date of July 1, 1916, the Virginia & Southwestern Ry. was leased to the Southern Ry. for one year with the privilege of extension thereafter unless terminated by either party.

In 1908, \$7,000,000 First Consolidated Mortgage 5% bonds were authorized. These bonds mature April 1, 1958. To June 30, 1916, \$5,000,000 of these bonds had been issued. The balance is reserved to retire the \$2,000,000 First Mortgage 5% bonds, which latter issue is guaranteed principal and interest by the Virginia Iron, Coal & Coke Co., which company formerly controlled this company.

In 1914-15, Products of Mines (mostly bituminous coal and coke) contributed 88.2% of the total freight tonnage moved.

Current Assets on June 30, 1916, were \$768,704, and Current Liabilities were \$279,883.

VIRGINIAN RY.

See Table, page 144.

This company was incorporated in 1904 by the late H. H. Rogers and associates, as the Tidewater Ry. The Virginian Ry. is the successor (1907) of the Tidewater Ry.; the Deepwater Ry. was acquired by deed dated 1907. The company operates a low grade

line from Deepwater, W. Va., via Roanoke, and Norfolk to tidewater at Sewall's Point, Va. (441 miles), with various branches (total mileage June 30, 1916, 505 miles). This railroad affords a route to tidewater for coal from the extensive Pocohontas, New River and Kanawha Gas Coal fields and from other coal fields, situated largely in Raleigh and Fayette Counties, W. Va. The company operates a large mileage through these coal fields.

SECURED NOTES—FINANCIAL PLAN.

To finance in part the cost of this enterprise, \$10,000,000 6% Notes of the Tidewater Co. (the construction company) were issued in 1907. They matured in 1909, but were mostly exchanged for new Notes of an issue of \$17,000,000 (6% Notes, due June 1, 1913). These latter Notes were called for payment in 1912.

In 1912 a new first mortgage was created. Under the new mortgage (\$75,000,000 authorized) \$29,500,000 50-year 5% bonds, due 1962, have been issued and sold. These bonds are secured by a first mortgage on the entire property. \$45,500,000 of the new bonds are reserved for acquisition of property, etc., under careful restrictions.

At the same time \$27,779,000 cumulative 5% preferred stock was issued (amount authorized \$29,000,000); \$27,955,000 outstanding June 30, 1916, at par in exchange for the following obligations: \$9,800,000 First Mortgage 5% bonds (cancelled); \$3,000,000 Virginian Terminal Ry. 5% bonds (acquired and pledged under new Virginian Ry. First Mortgage); \$4,424,000 Equipment acquired during the year, \$787,500 for redemption of \$750,000 Equipment Notes; \$923,100 in payment of floating indebtedness; \$8,844,400 for interest on bonds, Notes, floating indebtedness, etc. No dividends had been paid on this stock to December 31, 1916. The authorized amount of preferred stock was increased January 29, 1917, to \$35,000,000. At the same time the authorized amount of common stock was increased from \$36,000,000 to \$40,000,000.

GENERAL.

The Virginian Terminal Ry., the stock of which is owned by the Virginian Ry., owns and operates terminal properties located at Sewall's Point, near Norfolk, Va., on Hampton Roads. The terminals consist of 600 acres of land with a waterfront of 3,200 feet, with electrically equipped coal-loading piers, etc.

The line of the railway is so constructed that one locomotive will haul 80 loaded 50-ton coal cars (cars and contents weighing 6,000 tons) from the coal fields to tidewater, except for one nine-mile section. The average haul per ton of freight amounted in 1915-16 to 363 miles (Norfolk & Western Ry. 266 miles).

As of June 30, 1916, main and second track contained: 44 miles of 100-pound rail; 434 miles of 85-pound rail and 17 miles of 75-pound rail (in branch lines).

The railway was placed on an operating basis July 1, 1909. Earnings have steadily increased since that date. The increase in freight traffic is indicated in the following table:

	Revenue from Freight Traffic	Tons of Freight Handled	% Bituminous Coal to total Tonnage	New Industries Established
1909-10.....	\$1,739,188	1,434,988	64%	152
1910-11.....	3,307,017	2,713,135	79%	34
1911-12.....	4,436,402	3,641,011	85%	72
1912-13.....	5,350,848	4,410,622	85%	63
1913-14.....	5,790,645	4,776,663	86%	45
1914-15.....	5,070,491	4,088,609	88%	33
1915-16.....	6,497,994	5,261,634	90%	37

The Balance Sheet as of June 30, 1916, showed Current Assets (including \$4,018,566 cash) of \$5,735,043 and Current Liabilities of \$673,267. The credit balance to Profit and Loss was \$5,510,743 on June 30, 1916.

WESTERN MARYLAND RY.

See Table, page 145.

The preferred stock is entitled to non-cumulative dividends at the rate of 4% per annum. Dividends were paid (1% quarterly, beginning January) from April, 1910, until October, 1912. In January, 1913, the dividend was passed.

In 1908, a Receiver was appointed for the Western Maryland R. R., which company was subsequently reorganized as the Western Maryland Ry. (See below.)

Collateral Loans due April 1, 1908, amounting to \$3,776,750, went to default, and the collateral, consisting of \$5,037,000 First Mortgage 4% bonds, was sold, being entirely or mostly purchased by a syndicate. Coupons on the \$42,518,000 First Mortgage 4% bonds and the various underlying bonds, were regularly paid at maturity.

The interest on \$10,000,000 General Lien and Convertible 4% bonds was defaulted in April, 1908. (See following.)

HISTORY OF COMPANY.

The operations of the Western Maryland R. R. until 1902 were restricted to the transportation requirements of a local territory in Maryland and southeastern Pennsylvania. In that year and later the company purchased the control of the stock of the West Virginia Central & Pittsburgh Ry., operating railroads and owning over 135,000 acres of coal lands in West Virginia. The Piedmont & Cumberland Ry. was also purchased. In the interval succeeding these purchases a connecting line between the Western Maryland R. R. and the West Virginia Central & Pittsburgh Ry. was constructed, and tidewater terminals at Baltimore were acquired and constructed.

The properties known as the Weaver coal operations, lying adjacent to the then western terminus of the railway at Belington, and a reserve of about 25,000 acres of Pittsburgh vein coal in the Fairmont territory of West Virginia, were acquired.

PLAN OF REORGANIZATION.

The reorganization of the Western Maryland R. R. was effected by the organization of a new company (the Western Maryland Ry.), which took over the property of the old company, leaving undisturbed the \$43,518,000 First Mortgage bonds, \$7,859,300 Divisional and Leased Line bonds and \$574,650 Guaranteed Stock.

The new company issued in acquisition of the property of the old company:

\$10,000,000 4% non-cumulative preferred stock (par value \$100), convertible at the option of the holder into common stock at par and redeemable at the option of the company at par; and \$23,959,560 common stock (par value \$100).

The holders of General Lien and Convertible 4% bonds received:

(a) For principal, 100% (\$10,000,000) in 4% preferred stock.

(b) For unpaid, coupons \$836,000 in common stock.

(c) Privilege to subscribe for new common stock at \$40 per \$100 share to the extent of 50% of the holding of bonds.

The holders of the \$15,685,400 Western Maryland R. R. stock received in exchange for their old stock and on payment of 40% of the par value thereof in cash, 100% of their holdings, *i. e.*, \$15,685,400 new common stock.

CONNELLVILLE EXTENSION.

The stockholders in 1910 authorized the sale at \$50 per \$100 share of the \$25,469,670 of unissued common stock to raise funds with which to build a line from Cumberland, Md., to Connellsville, Pa. The new stock was offered to all shareholders to the extent of 75% of their respective holdings of stock.

This extension consists of about 87 miles of road, extending the main line from Cumberland, Md., to Connellsville, Pa., where it connects with the eastern terminus of the Pittsburgh & Lake Erie R. R. (New York Central System.) Since the completion of the connection with the Pittsburgh & Lake Erie R. R. (1913), the Western Maryland Ry. has a direct through route from Pittsburgh to Baltimore, constituting the shortest line between these two points and furnishing the New York Central System an outlet to the Atlantic seaboard at Baltimore. Of the cost of this extension, approximately \$12,700,000 was raised by the sale of common stock as stated above.

The Western Maryland Ry. and the Pittsburgh & Lake Erie R. R. have entered into an agreement for a period of 99 years establishing

close traffic relations between the two companies. This agreement provides for the full interchange of business.

The Western Maryland Ry. in 1911-12 issued \$10,000,000 5% Secured Notes, due July 1, 1915. Only a portion for interest on these Notes was included annually in Fixed Charges. The proceeds of the Notes were used to purchase additional equipment, terminals and yard facilities, etc., so as to enable the company economically to handle the additional traffic which it was expected would result upon completion of the Pittsburgh connection.

An additional \$3,000,000 6% Notes due July 1, 1915, bearing interest were also outstanding. The interest due January 1, 1915, was defaulted on both Note issues likewise the principal was not paid at maturity.

GENERAL.

The balance sheet of June 30, 1916, showed Current Assets (including \$729,220 cash, and \$1,025,724 material and supplies on hand), amounting to \$3,584,273. Current Liabilities (including \$4,985,000 Loans and Bills Payable) amounted to \$9,034,615.

The balance sheet as of June 30, 1916, showed among the assets of the company, \$12,734,835 Unextinguished Discount on Capital Stock, and \$562,515 Unextinguished Discount on Funded Debt.

As of June 30, 1916, main and second track contained:

511 miles of 90-pound rail,	84 miles of 70-pound rail,
35 miles of 85-pound rail,	54 miles of 60-pound rail,
19 miles of 80-pound rail,	31 miles of 56-pound rail.

As of June 30, 1916, the average weight of rail for the entire system was 83.6 pounds per yard, compared with 78.4 pounds June 30, 1907.

On June 30, 1916, 535 miles were ballasted with stone, 148 miles with cinder and slag, and 52 miles were partly ballasted.

\$46,624,000 of the First Mortgage 4% bonds were outstanding on June 30, 1916.

PLAN OF READJUSTMENT.

New Railway Company:

It is proposed to form a new Railway Company which shall acquire through consolidation or otherwise the present The Western Maryland Ry. and its subsidiary companies.

The new Railway Company is also to acquire all of the terminal facilities at Baltimore (including the grain elevator).

Upon the completion of the consolidation the new Railway Company will be vested with the direct ownership of 615.43 miles of main line of railroad, subject only to existing mortgage liens amounting to \$50,177,000.

The new Railway Co. is to assume all of the present bonded indebtedness and equipment trust obligations of each of the con-

stituent Companies and in addition is to create the following New Securities:

I. FIRST AND REFUNDING MORTGAGE BONDS:

Authorized Issue \$150,000,000

Secured by a first mortgage upon the line of railroad extending from Cumberland, Maryland, to Connellsville, Pennsylvania, together with branches, a distance of 156 miles. Also secured by mortgage (subject to existing mortgage of \$500,000) upon the entire property of the Western Maryland R. R. Terminal Co. and (subject to an existing mortgage of \$115,000) upon the properties of the Baltimore Fidelity Warehouse Co. and the Hazard Wharf Co.

Subject only to existing mortgages, amounting, as above stated, to \$50,177,000, the First and Refunding Mortgage of the new Railway Company will also cover as a direct lien all other railroad lines now owned by The Western Maryland Ry., as well as all extensions, additions and improvements and all other properties hereafter constructed or acquired by the new Railway Company with the First and Refunding Bonds or the proceeds thereof.

The First and Refunding Mortgage Bonds are to bear interest at not exceeding 6% per annum and are to be issuable as follows:

\$7,500,000 bearing interest at the rate of 5% per annum, are to be reserved, of which \$5,000,000, face value, are to be initially issued for general corporate purposes, including the liquidation of existing loans aggregating \$3,250,000.

\$50,000,000, are to be reserved for the purpose of refunding the present First Mortgage Bonds of The Western Maryland Ry. and underlying and divisional bonds.

\$25,000,000, are to be reserved to be issued to provide additional terminals, new equipment, permanent betterments and improvements and the construction or acquisition of additional mileage.

II. FIRST PREFERRED 7% STOCK\$18,000,000

The First Preferred Stock shall be entitled to dividends, cumulative from July 1, 1918, at the rate of, but not exceeding 7% per annum, payable quarterly, and shall be entitled to priority over the Second Preferred Stock and the Common Stock both as to dividends and in liquidation.

III. SECOND PREFERRED NON-CUMULATIVE 4% STOCK\$10,000,000

The Second Preferred Stock shall be entitled to non-cumulative dividends at the rate of 4% per annum, shall be preferred over the Common Stock both as to dividends and in liquidation. The Second Preferred Stock shall be redeemable at any time at the option of the Company at the price of \$100 per share. The holders of the Second Preferred Stock may at any time prior to the call of the same for redemption convert the same into Common Stock at par.

IV. COMMON STOCK\$50,000,000

BONDED INDEBTEDNESS AND INTEREST CHARGES OF THE NEW RAILWAY CO. AS COMPARED WITH THAT OF THE WESTERN MARYLAND RY.

	NEW RAILWAY	W. M. RY.	Decrease
Bonded Indebtedness	\$55,177,000	\$71,132,000	\$15,955,000
Bonded Indebtedness per mile	87,133	112,328	25,195
Interest Charges	2,300,788	3,198,088	897,300
Interest Charges per mile..	3,633	5,050	1,417

Upon the basis of the earnings for the last fiscal year (excluding income derived from coal properties) the amount applicable to dividends on the stock of the new Railway Company would be as follows:

Gross Income	\$3,689,000
Deductions from Gross Income	2,642,144
Surplus applicable to dividends	1,046,856
7% Dividend on First Preferred Stock	1,260,000

Important coal properties controlled by the Western Maryland Ry. have been leased to the Davis Coal & Coke Co. and the Monongalia Coal Lands Co. These companies will distribute their shares among stockholders of the new Company.

ALLOTMENT OF NEW SECURITIES.

First and Refunding Bonds (see a preceding paragraph) \$7,500,000.

First Preferred Stock	\$18,000,000
Second Preferred Stock	10,000,000
Common Stock	50,000,000
Stock of the Davis Coal & Coke Co.....	3,960,000
Stock of The Monongalia Coal & Lands Co.	4,500,000

to be distributed as follows:

Holders of stock, both preferred and common, of The Western Maryland Ry. will be asked to exchange the same share for share for Second Preferred Stock or Common Stock, as the case may be, of the new Railway Co. and in addition will be afforded the opportunity to subscribe at par in cash for their pro rata share of \$18,000,000 of the First Preferred Stock of the new Railway Co., and against such subscription will also receive a proportionate amount of the stock of The Davis Coal & Coke Company and the Monongalia Coal Lands Co.

For each \$100 par value of stock (either preferred or common) of The Western Maryland Ry. subscription may be made at par for 30% (\$30 par value) of First Preferred Stock of the new Railway Co.

For each \$100 of subscription so made the subscribers will be entitled to receive:

First Preferred Stock of new Railway Co.....	\$100
Stock of The Davis Coal and Coke Co.	22
Stock of Monongalia Coal Lands Co.	25

Holders of 5% Secured Notes and 6% Unsecured Notes by assenting to the Plan agreed to accept proportionately and ratably in exchange for their notes with all matured coupons or claims for interest, such of the new securities as may not be subscribed for and taken by the stockholders and upon the same terms, *i. e.*, for each \$100 of indebtedness represented by said notes as of July 1, 1916, remaining after the pro rata application in reduction thereof of any sums paid by stockholders, holders of said notes assenting to the Plan will receive in exchange therefore and in discharge of the remaining indebtedness represented thereby one share of First Preferred Stock of the New Railway Company and a proportionate amount of the other new securities as offered to stock-holders for subscription under the Plan.

A Syndicate will be formed which will purchase on the same terms as offered to the stockholders such of the new securities as may not be purchased by the stockholders or acquired by the note-holders. All amounts received on such sale to the stockholders or the Syndicate will be applied in payment of the matured note indebtedness of the Railway Co.

WRIGHTSVILLE & TENNILLE R. R.

See Table, page 146.

The preferred stock carries preference for non-cumulative dividends up to 6% per annum, and shares pro rata with the common stock in all further dividends paid in any year after that stock shall have received 6%. From 1907-8 to December, 1914, inclusive, 6% was paid on both classes of stock. In June, 1915, the dividend was omitted. In December, 1915, 3% was paid. In June, 1916, the dividend was again omitted. In December, 1916, 3% was paid. In 1906-7, 10% was paid on both classes. In 1905-6, 11% was paid on both classes. In 1904-5, 12% was paid on both classes. For many years prior to 1904-5, not less than 6% per annum was paid.

On July 1, 1906, the Wrightsville & Tennille R. R. purchased the Dublin & Southwestern R. R., operating 28 miles from Dublin, Ga., to Eastman, Ga. This road was consolidated with the Wrightsville & Tennille R. R. in August, 1907.

To pay for the purchase of the Dublin & Southwestern R. R. and to pay for improvements, etc., the Wrightsville & Tennille R. R. in 1907, issued \$250,000 5% bonds, due January 1, 1958, and increased the common capital stock from \$230,000 to \$530,000. \$100,000 of the bonds were sold in 1908 and \$100,000 in 1911; of the remaining \$50,000 bonds, \$10,000 were held in the treasury of the company on June 30, 1916, and the balance, \$40,000, have been retired.

The balance sheet as of June 30, 1916, showed Current Assets of \$96,188 (including \$56,482 cash), and Current Liabilities of

\$32,662. There was a credit balance to Profit and Loss amounting to \$127,569.

Main track June 30, 1916, consisted of:

27 miles of 60-pound steel,	18 miles of 50-pound steel,
42 miles of 56-pound steel,	15 miles of lighter weights.

The Central of Georgia Ry. owns all the preferred stock and a large amount of common stock. See that company.

ALABAMA & VICKSBURG RY.

See Table, page 147.

During recent years dividends have been paid on this company's stock as follows (annually September):

'97-'99	'00-'02	'03	'04-'14	'15	'16
5% yearly	6% yearly	9%	7% yearly	5%	7%

A stock dividend of 50% was paid in 1900 also one of 100% in 1910.

CONTROLLED BY THE A., N. O., T. & P. JC. RYS. CO., LTD.

An English company, the Alabama, New Orleans, Texas and Pacific Junction Rys Co., Limited, controls by ownership of securities, this company, also the Vicksburg, Shreveport & Pacific Ry., which see. The English company owned as of June 30, 1916, the following securities of these roads and of the New Orleans Northeastern R. R.:

Alabama & Vicksburg Ry. \$30,000 First Mortgage bonds, \$343,400 Second Mortgage bonds, \$141,100 Consolidated First Mortgage bonds and \$1,168,000 stock;

New Orleans & Northeastern R. R., \$5,445,000 General Mortgage bonds, \$1,500,000 Income bonds and \$5,328,700 stock;

Vicksburg, Shreveport & Pacific Ry., \$1,613,000 General Mortgage bonds, \$2,080,100 preferred and \$2,773,500 common stock.

Late in 1916 the Securities of the New Orleans & Northeastern R. R. were disposed of to the Southern Ry.

The English company also owned (June 30, 1916), \$448,700 of \$3,-000,000 stock of the Southwestern Construction Co., the latter being a holding company for the stock of the Cincinnati, New Orleans & Texas Pacific Ry. (which see). This stock has since been disposed of to the Southern Ry. The Alabama, New Orleans, Texas & Pacific Junc. Rys., Ltd., had outstanding June 30, 1916, 150,000 shares and 250,000 shares (par £10) of the Preferred "A" stock and Deferred "B" stock. 63,785 Preferred "A" shares and 106,404 Deferred "B" shares (over 4½% of total) were as of June 30, 1916, owned jointly by the Southern Ry., Alabama Gt. Southern R. R., Cincinnati, New Orleans & Texas Pacific Ry. and Mobile & Ohio R. R. Presumably the interest of the above Companies in the English Company has since been disposed of. The Preferred "A" shares paid 4½% in dividends in 1912, 3½% in 1913 and 4½% in 1914. No dividends were paid in 1915 and 1916. This stock is entitled to 6% per annum cumulative. About 186% is in arrears.

MISCELLANEOUS.

The lands unsold on June 30, 1916, aggregated 3,036 acres. There were sold during the year 280 acres for \$894.

On June 30, 1916, the balance to credit of Profit and Loss Account amounted to \$1,705,312. Current Assets (including \$893,551 cash), were about \$820,000 in excess of Current Liabilities.

Main track on June 30, 1916, contained:

1 mile of 90-pound steel, 5 miles of 60 pound steel.
137 miles of 75-pound steel.

ALABAMA GREAT SOUTHERN R. R.

See Table, page 148.

On June 30, 1916, the Southern Ry. owned \$1,725,000 preferred and \$4,605,550 ordinary stock of the Alabama Great Southern R. R.

Dividends have been paid as follows: preferred, February and August; common, June and December.

	05-6	06-7	07-8	08-9	09-10	10-11 to 14-15	15-16
Preferred	*6%	6%	6%	6%	6%	6%	7%
Ordinary	0	0	2%	2%	5%	5%	7%

**In addition there was charged to Profit and Loss \$63,225, representing 2% on preferred stock on account of unfunded arrears of dividends; the payment liquidated in full the arrears.*

In 1913-14, this company sold \$2,500,000 First Consolidated Mortgage 5% bonds due December 1, 1943. \$25,000,000 of these bonds are authorized.

The Alabama Great Southern R. R. owned on June 30, 1916, \$833,300 stock of the Southwestern Construction Co., received in exchange for \$833,300 common stock of the Cincinnati, New Orleans & Texas Pacific Ry., also an undivided one-fourth interest in 150,000 shares preferred "A" stock and 250,000 shares deferred "B" stock (42½% of total outstanding) of the Alabama, New Orleans, Texas & Pacific Jc. Rys. Presumably this stock has been disposed of. (See Alabama & Vicksburg Ry.)

The Alabama Great Southern R. R., jointly with other companies, guarantees, principal and interest, the bonds of the Chattanooga Station Co., the Birmingham Terminal Co., and the interest on the bonds of the Meridian Terminal Co.

On June 30, 1916, Current Assets were \$2,133,969 and Current Liabilities were \$991,503.

CINCINNATI, NEW ORLEANS & TEXAS PACIFIC RY.

See Table, page 149.

In 1901-2, \$2,000,000 of an authorized issue of \$3,000,000, 5% (non-voting) cumulative preferred stock was sold at par to stockholders, and in May, 1908, stockholders subscribed at par to

\$453,400 additional preferred stock. Dividends are paid on this stock quarterly, beginning March.

In recent years dividends on the common stock have been paid as follows (June and December) :

'04	'05	'06	'07 to '10	'11	'12 to '15	'16
2%	5%	5½%	5% yearly	8%	11%	12%

In December, 1916, 6½% was paid.

A controlling interest in the stock of this company is held by the Southwestern Construction Co. The latter company is reported to have outstanding 1915, \$3,000,000 stock, of which the Cincinnati, Hamilton & Dayton Ry. owned \$750,600, the Alabama Great Southern R. R. owned \$833,300, the Alabama, New Orleans, Texas and Pacific Junction Rys. Co. owned \$448,700 (since disposed of to Southern Ry. interests; see Alabama & Vicksburg Ry.) and the Southern Ry. owned \$16,600. The Southwestern Construction Co. issued its stock in exchange for an equivalent amount of stock of the Cincinnati, New Orleans & Texas Pacific Ry. The Alabama Great Southern R. R., the C. H. & D. Ry. and the Southern Ry. also own respectively \$55,500, \$500 and \$400 C. N. O. & T. P. Ry. stock.

TERMS OF LEASE.

The company operates, under lease, the Cincinnati Southern Ry., owned by the City of Cincinnati. In November, 1901, the City of Cincinnati approved contracts for the extension of the former lease, these contracts providing:

1. For the renewal of the lease for a period of sixty years from the termination of the "existing" lease, October 12, 1906.
2. For the issuance of City bonds to the extent of \$2,500,000 the proceeds to be used for terminals and improvements; the railway company to pay as additional rental, interest on these bonds, and in addition 1% per annum as a sinking fund.
3. For a rental after the expiration of the then present lease of \$1,050,000 per annum for twenty years, \$1,100,000 per annum for twenty years and \$1,200,000 for the last twenty years.
4. For the issuance by the company of at least \$2,000,000 additional stock, the proceeds to be invested in property to be used in the operation of the road and to be pledged under the mortgage to secure the rental.

The result of these and other provisions of the company's contracts with the city is that the average annual rental to be paid to October 12, 1923, is \$1,100,307, plus the interest, and a sinking fund of 1% on all bonds issued up to \$2,500,000 as above. The amounts paid by the company as rental since 1901 have averaged from \$1,099,647 to \$1,235,823 (\$1,235,823 in 1915-16).

GENERAL.

From the surplus earnings of recent years appropriations have been made for new and additional tracks, bridges, etc., as follows:

Year 1904-5.....	\$145,990	Year 1910-11.....	\$606,671
Year 1905-6.....	440,826	Year 1911-12.....	579,342
Year 1906-7.....	115,000	Year 1912-13.....	1,024,649
Year 1907-8.....	340,000	Year 1913-14.....	1,324,564
Year 1908-9.....	678,475	Year 1914-15.....	799,942
Year 1909-10.....	1,475,959	Year 1915-16.....	1,004,291

Practically the entire line is laid with 85-pound rail.

The balance sheet as of June 30, 1916, showed Current Assets (including \$2,479,577 cash and \$494,091 material and supplies) amounting to \$4,462,045 and Current Liabilities amounting to \$1,416,400. The credit balance to Profit and Loss was \$6,610,039.

GULF & SHIP ISLAND R. R.

See Table, page 150.

Dividends of 4% per annum were paid regularly (quarterly beginning January) from April, 1903, to 1910-11 inclusive. 2% each was paid in 1911-12, and in 1912-13. Presumably no dividends have since been paid. The line of railroad operated by this company lies wholly within the State of Mississippi. The main line is 161 miles in length and extends from Jackson via Mendenhall, Saratoga, Hattiesburg and Maxie to tidewater at Gulfport. Branch lines are operated from Mendenhall, via Columbia, to Maxie, 105 miles, and from Saratoga to Laurel, 42 miles.

During recent years new stock has been sold at par as follows: July 1, 1903, to June 30, 1905, \$1,000,000; 1908-9, \$500,000; 1909-10, \$250,000; 1912-13, \$250,000.

The First Refunding & Terminal Mortgage 5% bonds are authorized and issued to the aggregate of \$5,000,000. To June 30, 1916, \$850,000 bonds had been purchased for the sinking fund and deposited with the trustees of the mortgage.

Early in 1911, \$1,000,000 General and Refunding 6% bonds were sold. These bonds mature \$200,000 annually. \$200,000 bonds were outstanding on June 30, 1916.

Under date of May 1, 1916, \$350,000 6% Debentures were issued. They mature \$50,000 annually May 1, 1918 to May 1, 1924.

Main track on June 30, 1916 (308 miles), contained:

171 miles of 75-pound rail, 39 miles of 65-pound rail,
97 miles of 56 and 60-pound rail.

The balance sheet as of June 30, 1916, showed Current Assets \$917,015, and Current Liabilities \$294,344.

In 1915-16, Products of Forests contributed 73.3% of the total tonnage, against 82% in 1901-2.

About 83% of the freight tonnage handled originated on the lines of the company.

LOUISIANA & ARKANSAS RY.

See Table, page 151.

On March 15, 1906, an initial semi-annual dividend of $1\frac{1}{2}\%$ was paid on the capital stock. This rate of dividend (3% per annum) was maintained until 1909-10, in which year $2\frac{1}{2}\%$ was paid. This rate was maintained during 1910-11; $1\frac{1}{4}\%$ was paid in September, 1911. No dividends have since been paid.

In 1903-4, the capital stock was increased by \$375,000, in 1904-5 by \$1,125,000, in 1908-9 by \$750,000, and in 1910-11 by \$500,000, making the present amount outstanding \$5,000,000.

This company operates 279 miles of railroad. The main line extends from Hope, Ark., via Packton, La., to Alexandria, La. (200 miles, including 7 miles of trackage). An extension from Packton to Wildsville Jc., La. (53 miles), is operated. This line is being extended from the latter point to Vidalia, La., opposite Natchez, Miss., on the Mississippi River (25 miles).

The "Rock Island" uses under contract the Louisiana & Arkansas Ry. tracks from Packton to Pineville, a distance of about 36 miles. Of the tonnage moved in 1915-16, 69% consisted of logs and lumber, against 88% in 1909-10.

On June 30, 1916, main track operated contained:

267 miles of 75-pound rail, 6 miles of 60-pound rail.

On September 1, 1907, an annual sinking fund of \$55,000 became operative, same to be used by the Trustee to purchase First Mortgage 5% bonds at 110 or less. In December, 1912, an increase in the annual sinking fund charges from \$55,000 to \$75,000 was authorized. Bonds so purchased are to be kept alive in sinking fund. The amount of the reserve set aside for the sinking fund (\$75,000) in 1915-16 was charged to Profit and Loss Account. As of June 30, 1916, Sinking Fund Reserves amounted to \$732,663. To December, 1915, the company had acquired through sinking fund operations \$692,000 bonds, leaving \$4,504,000 bonds outstanding in the hands of the public.

On June 30, 1916, Current Assets (including \$535,751 cash and \$153,543 material and supplies) were \$868,496, and Current Liabilities were \$233,176. The credit balance to Profit and Loss was \$1,462,480.

LOUISIANA RAILWAY & NAVIGATION CO.

See Table, page 152.

No dividends are paid on the stock of this company.

This company operates a line of railroad from New Orleans to Shreveport, La. (305.6 miles), with about 40 miles of branches, etc.

It is stated that this line ultimately will be extended from Shreveport, La., to Oklahoma City, Okla.

The bonds of this company consist of \$10,545,000 First Mortgage 4½% bonds due July 1, 1953 (\$17,500,000 authorized on present mileage and \$23,000 per mile on future mileage).

LOUISVILLE & NASHVILLE R. R.

See Table, page 153.

During recent years dividends have been paid as follows (semi-annually, February and August):

	'00-'04	'05-'07	'08	'09	'10-'14	'15	'16
%.....	5 yearly	6 yearly	*5½	5½	†7	‡5	(a) 6
*Also a dividend of 1% in stock of the Louisville Property Co.							
†Dividend increased to 7% February, 1910. ‡Rate cut to 5% per annum, February, 1915. (a) Rate increased to 7%, August, 1916.							

STOCK.

In 1912-13 \$12,000,000 new stock was sold at par to stockholders on the basis of one share of new stock for each five shares held.

OTHER COMPANIES CONTROLLED.

The Louisville & Nashville R. R. owns \$11,484,100 (about 72%) of the stock of the Nashville, Chattanooga & St. Louis Ry. and most of the stock of the Louisville, Henderson & St. Louis Ry., viz.: \$1,511,405 preferred and \$1,721,871 common stock. The Georgia R. R. and dependencies (571 miles) are leased jointly by the Louisville & Nashville R. R. and Atlantic Coast Line R. R.

The Louisville & Nashville R. R. and the Southern Ry. jointly, in 1902, purchased a majority of the capital stock of the Chicago, Indianapolis & Louisville Ry. (622 miles), and issued in exchange their joint 4% 50-year bonds. On June 30, 1916, there were outstanding of these bonds \$11,827,000, secured by \$3,873,400 preferred stock and \$9,796,900 common stock of that road. In addition to the stocks of the "Monon" deposited as security for the joint bonds, the Louisville & Nashville R. R. owned \$5,000 common stock, held in its treasury.

On June 30, 1916, \$153,250 stock of the Atlanta & West Point R. R. was owned. Likewise the company held one-half interest (Atlantic Coast Line R. R. held other half interest), in \$936,100 of this stock, subject to the Georgia R. R. Lease.

The above lines are operated under separate organizations.

The Louisville & Nashville R. R. owns the Paducah & Memphis Division (254 miles), which is leased to the Nashville, Chattanooga & St. Louis Ry. at 5% on cost of road.

BONDS.

In 1905, the company authorized \$50,000,000 Atlanta, Knoxville & Cincinnati Division Mortgage 4% bonds. About \$8,200,000 were reserved to retire underlying bonds at maturity. Total is-

sue to June 30, 1916, \$25,994,000, of which \$1,249,000 were owned by the Louisville & Nashville R. R.

As of June 30, 1916, there were owned by the Louisville & Nashville R. R. bonds of the company (including the above bonds and \$2,156,000 Unified Mortgage 4% bonds) of a par value of \$32,865,340. Of these \$27,273,340 were held in the treasury; \$4,429,000 were pledged and \$1,163,000 were held in Sinking Funds.

The Louisville & Nashville R. R. has assumed the \$10,000,000 Consolidated Mortgage 5% bonds, due 1936, of the South & North Alabama R. R. (\$708,000 of which are owned) and \$10,677,000 (of which \$3,277,000 are owned) of that company's General Consolidated 5% bonds.

Under date of April 1, 1915, the Louisville & Nashville R. R. sold \$7,500,000 of an authorized issue of \$20,000,000 First Mortgage 50-year 5% bonds of the Lexington & Eastern Ry. These bonds have been assumed by the Louisville & Nashville R. R. They are secured by a first mortgage on about 211 miles of road recently constructed to open extensive coal fields in eastern Kentucky. The line has been merged into the L. & N. System. \$2,323,000 additional of these bonds are in the treasury of the Louisville & Nashville R. R.

GENERAL.

The Atlantic Coast Line R. R. purchased in the latter part of 1902 \$30,600,000 of Louisville & Nashville R. R. stock, and in 1912-13 acquired 51% of \$12,000,000 new stock sold by that company. See under Atlantic Coast Line R. R.

The Construction Account was closed in July, 1894. From that date to June 30, 1907, expenditures theretofore charged to that account were charged to Operating Expenses. The total amount thus charged was \$18,465,716. In 1907-8 and 1908-9, Additions and Betterments to the amount of \$2,557,015 were made and charged to Income Account instead of to Operating Expenses. No appropriations of this character have since been made.

On June 30, 1916, rail in main track contained:

1 mile of 141-pound rail,	58 miles of 68-pound rail,
1,314 miles of 90-pound rail,	264 miles of 60 to 65-lb. rail,
24 miles of 85-pound rail,	274 miles of 58½-pound rail,
1,681 miles of 80-pound rail,	54 miles of lighter weights.
1,178 miles of 70-pound rail,	

On June 30, 1916, Current Assets were \$31,779,926 (including \$16,987,960 cash); and Current Liabilities were \$10,070,609. There was a credit balance to Profit and Loss on that date of \$50,172,752.

LOUISVILLE, HENDERSON & ST. LOUIS RY.

See Table, page 154.

The preferred stock is entitled to 5% per annum. No dividends are being paid.

In 1904-5 the Louisville & Nashville R. R. acquired a majority of the stock of this company. As of June 30, 1916, the Louisville & Nashville R. R. owned \$1,511,405 preferred and \$1,721,871 common stock.

From the surplus earnings for the years 1900-1 to 1908-9 inclusive a total of \$433,670 was appropriated from surplus for improvements. In addition to the above-mentioned sum, \$119,864 was appropriated from the surplus of 1906-7 for "Loss on account wreck of Salt River Bridge."

The balance sheet of June 30, 1916, showed Current Assets, \$710,882, and Current Liabilities, \$230,634. There was a credit balance to Profit and Loss of \$310,392.

Of the total freight tonnage hauled by this road in 1915-16, viz., 1,538,110 tons, 1,211,430 tons were received from connecting roads and other carriers, and 326,680 tons originated on this road.

In October, 1915, the Louisville, Henderson & St. Louis Ry. authorized \$5,000,000 First Mortgage 5% Consolidated 50-year bonds, of which \$2,500,000 will be reserved to retire the existing \$2,500,000 First Mortgage bonds due 1946 and \$700,000 have been issued to pay floating debt and to provide for improvements, etc.

A Committee which was formed, with Samuel Untermyer, of New York, as counsel, to represent the interests of the holders of the preferred stock of this company, secured for the minority stockholders who deposited their preferred stock \$38 per share for the same. See 1913 edition of this book.

MISSISSIPPI CENTRAL R. R.

See Table, page 155.

The Mississippi Central R. R. acquired in 1908-9, through consolidation, the property of the Natchez & Eastern R. R.; the consolidated company is known as the Mississippi Central R. R. and owns and operates a line of railroad 164 miles in length extending from Natchez, Miss., on the Mississippi River, to a point 14 miles southeast of Hattiesburg, Miss. It is proposed later to extend the line from its present terminus near Hattiesburg to Scranton, a port on the Gulf of Mexico, thus giving to the company the additional advantages of the shipping traffic at the Gulf and a share in the increase in commerce which is expected to develop by reason of the opening of the Panama Canal.

Dividends were paid on the stock of the company as follows: 1904-5, 1½%; 1905-6, 7½%; 1906-7, 6%; 1907-8, 1½%; 1908-9 to 1912-13, none; 1913-14, 1914-15 and 1915-16, 2% annually. The amount of stock outstanding formerly was \$1,500,000; in 1908-9 it was increased to \$3,940,000.

There are outstanding \$4,100,000 of an authorized issue of \$10,000,000 First Mortgage 5% bonds due July 1, 1949. These bonds

are redeemable by a sinking fund of \$300 annually per mile of road operated, at 110 or less, beginning July 1, 1912. Unissued bonds may be issued at \$25,000 per mile to acquire new mileage. The bonds are guaranteed, principal and interest, by the United States Lumber Co. \$230,500 of these bonds were held alive in the Sinking Fund, on June 30, 1916.

The balance sheet of June 30, 1916, showed Current Assets (including \$450,000 Demand Loans and Loans Receivable \$815,764, and Current Liabilities, \$145,232.

Of total freight tonnage handled in 1915-16, Products of Forest contributed 87.5%, as against 87.9% in 1914-15, 86.8% in 1913-14, 83.5% in 1912-13, 83.7% in 1911-12 and 85.2% in 1910-11.

MOBILE & OHIO R. R.

See Table, page 156.

Dividends have been paid in recent years as follows:

1903-4	1904-5	1905-6	1906-7	1907-8	1908-9	1909-10 to 1915-6
2%	4%	5%	5%	4%	5%	4% yearly

In 1901, and in 1903-4, the Southern Ry. purchased a large majority of the General Mortgage 4% bonds and of the stock of this road, paying therefor respectively its Mobile & Ohio R. R. Collateral 4% 50-year bonds, and its Mobile & Ohio R. R. (4%) stock trust certificates, dollar for dollar. As of June 30, 1916, the Southern Ry. held \$8,267,000 of the \$9,472,000 General bonds and \$5,670,200 of the \$6,020,600 stock of the Mobile & Ohio R. R. The voting power on \$4,984,200 of the stock is exercised by the General Mortgage bondholders. The Mobile & Ohio R. R. is operated separately.

The total amount of Equipment Obligations of the Mobile & Ohio R. R. outstanding June 30, 1916, was \$3,553,000. Obligations had been paid to that date to the amount of \$1,409,000.

In 1913, \$2,500,000 St. Louis Division 5% bonds due 1927 were issued and sold. \$500,000 additional are held for account of company. These bonds are a mortgage on the line (159 miles) formerly operated by the St. Louis & Cairo R. R. (merged in 1913) subject to \$4,000,000 St. Louis & Cairo R. R. First Mortgage 4% bonds due 1931 (assumed by Mobile & Ohio R. R.).

In 1914, the creation of a new mortgage for \$50,000,000 was authorized. No bonds have been issued.

The following appropriations of an extraordinary nature for equipment, improvements, etc., have been made from surplus:

1901-2.....	\$417,510	1906-7.....	\$612,654	1911-12.....	\$10,751
1902-3.....	334,650	1907-8.....	150,696	1912-13.....	19,803
1903-4.....	451,800	1908-9.....	19,446	1913-14.....	23,738
1904-5.....	581,233	1909-10.....	28,432	1914-15.....	3,238
1905-6.....	716,128	1910-11.....	8,335	1915-16.....	88,195

On June 30, 1916, Current Assets were \$3,216,428, and Current Liabilities (including \$698,058 Loans and Bills Payable) were \$2,877,911.

NASHVILLE, CHATTANOOGA & ST. LOUIS RY.

See Table, page 157.

Dividends on the stock of this company have been paid in recent years as follows (semi-annually, February and August):

'04	'05-'06	'07	'08	'09	'10-'11	'12	'13-'14	'15	'16
4%	5%	6%	5½	5%	6%	6½%	7%	5%	6½%

In February, 1916, 3% was paid. In August, 1916, 3½% was paid. In February, 1917, 3½% was paid.

In 1912-13 the capital stock was increased to \$16,000,000 by the sale of \$6,000,000 stock at par, the proceeds from the sale of which was used to retire on July 1, 1913, \$6,000,000 7% bonds.

On June 30, 1916, the Louisville & Nashville R. R. owned \$8,-802,400 stock of this road, pledged under its Unified Mortgage, and \$2,681,700 of the stock held as a free asset in its treasury; total, \$11,484,100.

All of the bonds of this road mature between January 1, 1917, and April 1, 1928, inclusive. The bonds bear interest of from 5% to 7%. \$6,300,000 7% bonds matured July 1, 1913; \$7,606,000 outstanding Consolidated 5% bonds mature in 1928. The 7% bonds due 1913 were retired largely from the proceeds of \$6,000,000 capital stock sold to stockholders at par.

Jointly with the Louisville & Nashville R. R., this road guarantees \$2,535,000 Louisville & Nashville Terminal Co. 4% bonds and jointly with four other companies, guarantees \$2,500,000 Memphis Union Station Co. 5% bonds.

The Western & Atlantic R. R. (Chattanooga, Tenn., to Atlanta, Ga., 137 miles) is leased from the State of Georgia until December 27, 1919, at an annual rental of \$420,012.

See Louisville & Nashville R. R. as to lease of the Paducah & Memphis Division.

On June 30, 1916, main track owned (840 miles) and leased (391 miles) contained:

103 miles of 90-pound rail,	54 miles of 60-pound rail,
151 miles of 85-pound rail,	184 miles of 58-pound rail,
437 miles of 80-pound rail,	122 miles of 56 and 52-lb. rail.
179 miles of 68-pound rail.	

The balance sheet of June 30, 1916, showed Current Assets (including \$1,118,983 cash), \$4,676,122, and Current Liabilities, \$1,714,839.

The credit balance to Profit and Loss on June 30, 1916, amounted to \$10,932,849 (as compared with \$1,669,325 on June 30, 1900). The bonded debt of the company was \$11,035,325 on June 30, 1916, against \$17,362,925 bonds and Equipment Notes outstanding as of June 30,

1900. Fixed Charges for 1915-16 were \$1,633,853 as compared with \$1,850,228 in 1899-0; \$16,000,000 stock was outstanding June 30, 1916, as compared with \$10,000,000 stock outstanding June 30, 1900.

NEW ORLEANS & NORTHEASTERN R. R.

See Table, page 158.

The Income bonds are entitled to interest each year up to $4\frac{1}{2}\%$ if earned. The full $4\frac{1}{2}\%$ is being paid.

In 1903, the stock of this road received its first dividend (3%), and since that date dividends have been paid annually as follows:

'04	'05	'06	'07	'08	'09	'10-'11	'12-'13	'14-'15	'16
3%	$3\frac{1}{2}\%$	5%	6%	4%	5%	$6\frac{1}{2}\%$	5%	1%	4%

The main and second track is laid with 75-pound rails.

On November 1, 1915, \$1,320,000 6% bonds matured. These bonds were extended to 1940 at 5% per annum.

On June 30, 1916, the credit to Profit and Loss Account was \$1,935,476, represented largely by Current Assets. There was in the treasury on that date cash to the amount of \$1,930,357.

During recent years substantial sums have been expended for additions and betterments, provided from current income, accumulated net revenue and sources other than from capital (\$190,-939 in 1915-16).

In 1915-16 lumber and logs contributed 35.7% against 37.6% in 1914-15, of the total freight tonnage carried.

For a number of years control of this Company was held by the Alabama, New Orleans, Texas & Pacific Junction Rys. of England (see Alabama & Vicksburg Ry.). Under date of October 28, 1916, it was announced that the English Company had sold its holdings of New Orleans & North Eastern R. R. stock consisting of \$5,595,000 General Mortgage $4\frac{1}{2}\%$ bonds, \$1,500,000 Income Mortgage bonds and \$5,336,300 common stock to J. P. Morgan & Co. This firm has resold same to the Southern Ry.

NEW ORLEANS GREAT NORTHERN R. R.

See Table, page 159.

The bonds of this company consisted, as of June 30, 1916, of \$8,248,000 First Mortgage 5s, due 1955, and \$175,000 Equipment bonds.

The lines of this company aggregated on June 30, 1916, 285 miles of road (including 42 miles trackage), as against 93 miles of road operated on June 30, 1909. The main line extends from New Orleans, La., to Jackson, Miss., with branches to Folsom, La., Tylertown, Miss., Columbia, Miss., etc. The New Orleans Great Northern R. R. operates into New Orleans over the line of the New Orleans & Northeastern R. R. (29 miles) and New Or-

leans Terminal Co. (8 miles); also operates into Jackson, Miss., over the line of the Illinois Central R. R. (4.43 miles).

As of June 30, 1916, main track owned (243 miles), was laid with rail of the following weights:

185 miles of 85-pound steel, 41 miles of 70-pound steel,
17 miles of 60-pound and light steel.

The balance sheet of this company as of June 30, 1916, showed Current Assets \$511,436 and Current Liabilities \$293,051. The balance sheet also showed as an Unadjusted Debit Item, \$789,550, Unextinguished Discount on Funded Debt.

Products of Forest contributed 70.5% of the total freight tonnage handled in 1915-16, as compared with 83.7% in 1910-11. Of the tonnage carried 88% originated on the Company's lines.

TENNESSEE CENTRAL R. R.

See Table, page 160.

Receivers were appointed for this company December 31, 1912. On that date there was due \$1,641,380 for interest since January 1, 1909, on the General Mortgage 5% bonds (see below). There was also on that date a floating debt of about \$400,000.

This company operates a line of railroad extending from Hopkinsville, Ky. (on the Illinois Central R. R.), southeasterly to Nashville, Tenn. (85 miles), thence easterly 166 miles to Harri-man, Tenn. At the latter point connection is made with the Southern Ry. and the Cincinnati, New Orleans & Texas Pacific Ry. The bonds of this company consist of \$12,000 Nashville & Knoxville 6% bonds due 1918, \$4,014,000 Prior Lien 4% bonds due 1934, and \$8,206,900 General Mortgage 5% bonds due 1954. \$345,899 Receiver's Certificates were also outstanding June 30, 1916.

As of June 30, 1916, interest remained unpaid as follows: Prior Lien 4% bonds, \$160,560; General Mortgage 5% \$3,282,760.

The Nashville Terminal Co., the entire \$1,000,000 stock of which is owned by the Tennessee Central R. R., is leased to the Tennessee Central R. R. for 99 years from 1902. This company owns extensive terminals at Nashville, Tenn., and a bridge across the Cumberland River. The company has outstanding \$1,000,000 First Mortgage 5% bonds due 1932.

In 1905, an option for three years for the purchase of a majority of the stock and bonds of the Tennessee Central R. R. and Nashville Terminal Co. (leased) was secured jointly by the Illinois Central R. R. and the Southern Ry. The Illinois Central R. R. took over the operations of that part of this railway, from Nashville, Tenn., to Hopkinsville, Ky. (85 miles) and the balance of the mileage was taken over by the Southern Ry. In 1908 the 3-year option to purchase the road was allowed to lapse, heavy annual deficits having resulted during the term of the lease.

The Profit and Loss account of the Southern Ry. for 1909-10, and of the Illinois Central R. R. for 1908-9 and 1910-11, were

debited the sums of \$404,649, \$203,840 and \$470,719, respectively, representing the loss by these two companies on the Tennessee Central R. R. option and interest on its securities.

As of June 30, 1916, Current Assets were \$242,104 and Current Liabilities were \$3,908,409. The Profit and Loss deficit totalled \$4,985,013.

VICKSBURG, SHREVEPORT & PACIFIC RY.

See Table, page 161.

The preferred stock has priority for dividends of 5% per annum, non-cumulative. Since 1902 dividends have been paid on both classes of stock as follows:

	1903	'04	'05	'06&'07	'08	'09to'12	'13	'14	'15	'16
Preferred.....	5	5	5	5	0	5	5	5	0	5
Common.....	2½	3	2	0	0	0	2	0	0	0

The 1916 dividend was paid in September; the 1915 dividend was omitted.

See Alabama & Vicksburg Ry. as to the control of this company held through ownership of securities by the Alabama, New Orleans, Texas & Pacific Junction Rys. Co., Ltd.

As of June 30, 1916, main track contained:

162 miles of 75-pound steel, 9 miles of 60-pound steel.

This company owns, in addition to its operated mileage, the line of railroad from Shreveport to the boundary line between Louisiana and Texas, at Wascom (17 miles), which is leased until 1925, to the Missouri, Kansas & Texas Ry. Co. of Texas.

The credit to Profit and Loss Account on June 30, 1916, was \$1,102,899, represented by Current Assets. Cash in treasury on that date amounted to \$528,295.

On November 1, 1915, \$1,323,000 6% bonds matured. They have been extended to November, 1940, at 5% per annum.

In 1915-16, lumber and logs contributed 36.2% of the total freight tonnage carried, against 36.5% in 1914-15 and 33.1% in 1913-14.

WESTERN RY. OF ALABAMA.

See Table, page 162.

During the years 1900 to 1906 inclusive, 4% each; during the years 1907 to 1912-13, inclusive, 5% each, and during the years 1913-14, 1914-15 and 1915-16 6% each was paid annually on the \$3,000,000 capital stock, one-half of which is owned in the interest of the Louisville & Nashville R. R. and Atlantic Coast Line R. R., and one-half of which is owned by the Central of Georgia Ry.

The balance sheet of June 30, 1916, showed Current Assets of \$1,249,696 (including \$891,305 cash) and Current Liabilities of \$466,536. The credit to Profit and Loss amounted to \$614,052.

Main track contained on June 30, 1916:

7 miles of 90-pound steel,	3 miles of 75-pound steel,
83 miles of 80-pound steel,	37 miles of 70-pound steel.

The officers in charge of the management of the Western Ry. of Alabama and the Atlanta & West Point R. R. are the same.

ATCHISON, TOPEKA & SANTA FE RY.

See Table, page 163.

The preferred stock is entitled to and is limited to non-cumulative dividends of 5% per annum. Dividends on the preferred stock have been paid semi-annually in February and August. The common stock received 6% in 1907, the rate having been raised from 4% to 5% in December, 1906, and to 6% in June, 1907. In June, 1908, dividend rate was reduced to a 5% basis, but in December, 1909, the rate was again increased to 6% per annum. Dividends on the common stock are paid quarterly beginning March.

The following amounts have been appropriated from surplus earnings or charged to Profit and Loss for improvements written off, for discount on bonds sold, etc.:

Year 1902-3.....	\$3,000,000	Year 1909-10.....	\$4,000,000
Year 1903-4.....	3,000,000	Year 1910-11.....	5,000,000
Year 1904-5.....	1,083,311	Year 1911-12.....	3,482,997
Year 1905-6.....	4,500,000	Year 1912-13.....	5,574,434
Year 1906-7.....	9,600,000	Year 1913-14.....	2,719,318
Year 1907-8.....	1,933,848	Year 1914-15.....	6,513,397
Year 1908-9.....	11,029,389	Year 1915-16.....	7,000,000

Appropriations are made yearly for the Fuel Reserve Fund (\$55,-482 in 1915-16). The balance to the credit of that fund on June 30, 1916, was \$1,888,316.

The following amounts were received in cash as the net proceeds of sales of land, but these amounts were directly written off the book value of Railroads, Franchises and Other Property, and the transactions did not appear in the Income Accounts:

Year 1904-5.....	\$681,306	Year 1910-11.....	\$240,000
Year 1905-6.....	366,760	Year 1911-12.....	200,000
Year 1906-7.....	200,000	Year 1912-13.....	200,000
Year 1907-8.....	145,616	Year 1913-14.....	120,000
Year 1908-9.....	216,384	Year 1914-15.....	None
Year 1909-10.....	240,000	Year 1915-16.....	1,200,000

In 1902, \$30,000,000 4% Serial Debentures were issued, the proceeds to be used for construction, improvements, equipment and to acquire securities of other railway companies, etc. These Debentures matured \$2,500,000 annually 1903 to 1914.

CONVERTIBLE BONDS ISSUED IN 1905.

In 1905 there was authorized an issue of \$50,000,000 4% bonds due June 1, 1955, convertible into common stock at par. These

bonds were offered in 1904-5 and 1905-6 pro rata for subscription to the stockholders at par. These bonds are convertible into common stock at par until June 1, 1918.

CONVERTIBLE BONDS ISSUED IN 1907.

In 1907, the stockholders subscribed at par to \$26,056,000 new 10-year 5% convertible bonds (of an authorized issue of \$30,000,000). These bonds were convertible into common stock at par until June 1, 1913. No new mortgage on lines owned January 1, 1907, shall be made without securing thereunder the bonds of this issue.

CONVERTIBLE BONDS ISSUED IN 1909.

The "Santa Fe" in 1909 offered to stockholders the right to subscribe to 4% bonds, due 1955, convertible into common stock at par until June 1, 1918, at 104 and interest to the amount of 12% of their holdings. \$28,258,000 bonds of this issue were subscribed for.

CONVERTIBLE BONDS ISSUED IN 1910.

Stockholders in 1910 subscribed at 102½ to \$43,686,000 4% bonds due 1960, to the extent of 14% of their holdings of stock. These bonds are convertible into common stock at par until June 1, 1923.

All issues of convertible bonds may be called at 110 on any interest day, but when called may be converted into stock provided the time for conversion has not expired.

Of the Convertible 4% bonds, \$26,607,000 were outstanding June 30, 1915, and of the 5% bonds referred to above, \$7,449,000 were outstanding on that date.

To June 30, 1916, \$112,357,000 convertible bonds had been exchanged for common stock. In 1915-16, 1914-15, 1913-14, 1912-13, 1911-12, 1910-11, 1909-10, 1908-9 and 1906-7 exchanges of convertible bonds for common stock aggregated \$13,823,000, \$4,678,000, \$4,975,000, \$20,707,000, \$1,699,000, \$2,912,000, \$43,959,000, \$18,603,000 and \$1,001,000 respectively. These exchanges of bonds have changed the complexion of the capital obligations by extinguishing a large amount of the convertible bonds heretofore outstanding and correspondingly increasing the outstanding common stock. *Through conversion of bonds, the common stock outstanding was increased from \$101,955,500 on June 30, 1905, to \$214,312,500 on June 30, 1916.*

SALE OF PREFERRED STOCK.

To reimburse itself for expenditures made for additions, betterments and improvements the Company sold late in 1915 a total of \$9,999,970 preferred stock.

The Atchison, Topeka & Santa Fe Ry. controlled June 30, 1916, through ownership of 99% of its stock, the Grand Canyon Ry. (64 miles); also the Kansas Southwestern Ry. (59 miles) and the

Crosbyton-South Plains R. R. (38 miles). Also the company was interested jointly with other companies in 607 miles additional, including the Leavenworth & Topeka Ry. (45 miles), the Sunset R. R. (50 miles), and the Northwestern Pacific R. R. (512 miles).

The Santa Fe in 1912 sold \$18,299,695 50-year 4½% bonds (\$50,000,000 authorized), secured by a mortgage on the California, Arizona & Santa Fe Ry. The latter company (\$50,000,000 stock all owned by the Santa Fe) operates a line from Needles, Cal., to Mojave, Cal., and other lines in California and Arizona, the total mileage aggregating 830 miles. The Needles-Mojave line was acquired in 1911-12 from the Southern Pacific Co. in exchange for the properties of the Sonora Ry. and the New Mexico & Arizona R. R. These last named properties, while under the ownership of the Santa Fe, had been operated by the Southern Pacific under lease.

MISCELLANEOUS FINANCES.

In 1908, there were sold \$17,000,000 of an authorized issue of \$30,000,000 Transcontinental Short Line 4% bonds due July 1, 1958. The issuance of additional bonds is limited to \$25,000 per mile of main track road. The proceeds of this issue were used towards the construction of a low grade cut-off between Galveston and San Francisco. Additional bonds under this mortgage were issued in 1916, so that \$22,545,000 bonds were outstanding December 31, 1916.

In 1915 the Santa Fe issued \$3,000,000 of an authorized issue of \$20,000,000 Rocky Mountain Division First Mortgage 4% bonds due 1965. These bonds were issued to acquire the line formerly operated by the St. Louis, Rocky Mountain & Pacific Ry. (106 miles).

OFFICIAL STATEMENTS.

In the annual report of the Santa Fe for 1915-16, it was stated that the Gross Operating Revenues of the company had increased from \$30,621,230 (\$4,752 per mile) in 1896-7 to \$133,762,392 (\$11,893 per mile) in 1915-16. The Surplus for 1915-16 was \$32,579,735, as against \$53,786 for the 18 months ending June 30, 1897.

Referring to various tables of earnings submitted the president said in the annual report for 1915-16:

"The growth of the business of your Company and of its efficiency have been due principally to the very large expenditures (over \$318,000,000) which have been made in the extension and improvement of the property since January 1, 1896. In order to make such expenditures your Company has raised since 1896 over \$232,000,000 of 'new money' by the sale of capital stock and bonds which are now outstanding or which (in the case of many of the convertible bonds issued) are represented by common stock now outstanding. The following statement (here given abridged—Ed.) shows the amount of investment, the amount of net income applicable to bond interest, dividends, improvement of property and strengthening of credit,

and the rate of return which such net income represents on the amount of the investment:"

Year Ending June 30th	Property Investment*	Income Applicable to Bond Interest, Dividends, Improvement of Property and Strengthening of Credit†	Per Cent. of Income of Property Investment
1897.....	\$389,118,443	\$6,070,364	1.56
1902.....	445,314,062	23,921,018	5.37
1907.....	550,693,087	32,724,274	5.94
1912.....	673,465,876	33,321,101	4.95
1913.....	695,730,983	36,086,013	5.19
1914.....	709,304,447	33,070,377	4.66
1915.....	720,792,460	36,928,030	5.12
1916.....	732,403,748	45,312,106	6.19
Annual Average..	\$538,330,699	\$25,930,219	4.82

*Includes sums invested in Materials and Supplies.

†The "Income" shown above is determined after allowing for adjustments made through profit and loss.

‡Annual average includes year 1896 (six months), also years 1898 to 1901, 1903 to 1906 and 1908 to 1911 not included in table.

"The last statement emphasizes the striking fact that the earnings on the entire investment during this most prosperous year in the history of the Company are but little over 6% and, even in recent years averaged but little more than 5% per annum, and it must be borne in mind that of these earnings it is necessary to appropriate a considerable amount each year for additions and betterments to preserve the company's credits.

"The ability of your Company under such circumstances to pay 6% on the common stock is due to the fact that it pays an average of only slightly more than 4% on its bonded debt, and, indeed, much of the bonded debt was created when money could be borrowed at or near 4%"

GENERAL.

The following statement shows the development of the freight and passenger earnings of the System since July 1, 1896, and the increase per mile in the gross earnings from operations:

	Year 1915-16	Year 1896-7
Freight Earnings	\$91,432,429	\$22,067,687
Passenger Earnings	31,568,601	5,574,288
Total Gross per mile	11,893	4,752

Main and second, third and fourth track on June 30, 1915, contained:

3,447 miles of 90-pound steel,	20 miles of 70 to 71-lb. steel,
2,951 miles of 85-pound steel,	686 miles of 65 to 67-lb. steel,
125 miles of 80-pound steel,	1,601 miles of 60 to 62½-lb. steel,
1,196 miles of 75-pound steel,	1,719 miles of lighter weights.

On June 30, 1916, Current Assets (including \$16,926,125 material and supplies, and \$43,698,922 cash) were \$68,392,720 and Current Liabilities were \$18,561,512. The credit balance to Profit and Loss account was \$26,686,308. The Corporate Surplus as of June 30, 1916, amounted to \$93,259,450. This included \$64,634,235 Additions to Property through Income; \$1,938,906 Reserves, etc., and the credit balance to Profit and Loss (\$26,686,308).

Neither the Santa Fe nor any of its auxiliaries had any notes or bills outstanding on June 30, 1916.

A comparison of equipment, 1902-3 with 1915-16 shows the following changes:

	1902-3	1915-16
Locomotives	1,309	2,084
Passenger Cars	801	1,719
Freight Cars	37,552	68,309
Miscellaneous Cars	207	3,915
Floating Equipment .....	....	11
Total Equipment.....	39,869	76,038

CHICAGO, ROCK ISLAND & PACIFIC RY.

See Table, page 164.

Under date of April 20, 1915, Receivers were appointed for the Chicago Rock Island & Pacific Ry., owing to inability to finance about \$6,000,000 bills and loans.

See a following paragraph as to Plan of Reorganization.

The following statements show the former Rock Island Company's direct and indirect interest as of *June 30, 1909*, in securities of other companies which together formed what was known as the Rock Island System of railroads. This system comprised over 14,500 miles of road. *Late in 1909 the stock of the St. Louis & San Francisco R. R., carrying with it the control of other companies, was sold to B. F. Yoakum and associates.* (See below.)

OWNERSHIP OF SECURITIES *June 30, 1909.*

CHICAGO, ROCK ISLAND & PACIFIC R. R. CO.

(Defaulted interest on bonds May 1, 1914.)

STOCK.

Owned by the Rock Island Co. (the entire issue)..... \$145,000,000

NOTE: Stocks of Rock Island Co. were wiped out following foreclosure sale of collateral for C. R. I. & P. R. R. bonds.

THE EARNING POWER

CHICAGO, ROCK ISLAND & PACIFIC RY. CO.

(Receivers appointed April 20, 1915.)

Owned by the Chicago, Rock Island & Pacific R. R. Co.	*70,386,700
Held in treasury (<i>June 30, 1913, \$4,877</i>)	2,252
Held in exchange for B. C. R. & N. Ry. and R. I. & P. Ry. stock (<i>June 30, 1913, \$122,800</i>)	140,400
In the hands of the public (<i>June 30, 1913, \$3,518,823</i>)	4,470,648
Total authorized	\$75,000,000
*On May 1, 1914, \$71,353,500.	

ST. LOUIS & SAN FRANCISCO R. R. CO.

(Receivers appointed May 27, 1913.)

	Common
Owned by the Chicago, Rock Island & Pacific R. R. Co.	\$28,940,300
Held in treasury	150
In the hands of the public	59,550
Total outstanding	\$29,000,000

CHICAGO & EASTERN ILLINOIS R. R. CO.

(Receivers appointed May 27, 1913.)

	Preferred	Common
Owned by the "Frisco"	\$6,050,400	\$7,217,800
In the hands of the public.....	2,780,300	.....
Total outstanding	\$8,830,700	\$7,217,800

EVANSVILLE & TERRE HAUTE R. R. CO.

(In 1911-12 merged with C. & E. I. R. R. Co.; bonds in default since Receivership of latter company.)

	Preferred	Common
Owned by the C. & E. I. R. R. ....	.....	\$3,161,450
In the hands of the public	\$1,283,333	825,933
Total outstanding	†\$1,283,333	†\$3,987,383

†5% Refunding bonds of the E. & T. H. R. R. were exchanged at par for this preferred stock.

‡In 1911-12 an offer was made to exchange C. & E. I. R. R. preferred stock for this common stock at rate of 83⅓% in former stock.

On May 1, 1914, all the stock of the Chicago, Rock Island & Pacific R. R. was owned by the Rock Island Co. and \$71,353,500 stock of the Chicago, Rock Island & Pacific Ry. was owned by the Chicago, Rock Island & Pacific R. R. Following the sale under foreclosure of the collateral securing the C. R. I. & P. R. R. 4% bonds of 2002 (December, 1914), the C. R. I. & P. Ry. stock was delivered to the holders of the bonds dollar for dollar.

In 1909, the Chicago, Rock Island & Pacific R. R. disposed of its holdings of stock of the St. Louis & San Francisco R. R. to B. F.

Yoakum and associates. The Chicago, Rock Island & Pacific R. R. collateral 5% bonds, due 1913, were called for payment in 1910. (See below.)

See under Colorado & Southern Ry. as to interest in Trinity & Brazos Valley R. R. (in Receiver's hands). Large advances have, in past years been made to that company of which \$3,729,864 were in 1914-15 written off as worthless. In 1907, the Chicago, Rock Island & Pacific Ry. sold to the Toledo, St. Louis & Western R. R. \$6,380,000 preferred, and \$14,420,000 common stock of the Chicago & Alton R. R. On June 30, 1916, there were held in the treasury of the former company the unsold securities received therefor, namely, \$400,000 Series A, and \$5,047,000 Series B Collateral bonds of the Toledo, St. Louis & Western R. R. \$2,500,000 and \$1,210,000 Series A bonds were sold in 1909-10 and in 1910-11 respectively. In 1914-15, the C. R. I. & P. Ry. wrote off the sum of \$3,615,679, representing the difference in cost price of Toledo, St. Louis & Western R. R. bonds and their present value. On June 30, 1916, the Chicago, Rock Island & Pacific Ry. held \$450,000 Chicago & Alton R. R. preferred stock. The value of this stock was likewise written down \$338,762 in 1914-15.

HISTORY.

On March 31, 1902, the Chicago, Rock Island & Pacific Ry. operated 3,910 miles of road and its capital stock amounted to \$59,961,960. During the following fifteen months to June 30, 1903, \$14,855,140 additional stock was issued of which \$9,154,040 was sold, largely to stockholders, and the balance issued for purchase of stock of subsidiary roads, increasing the mileage to 5,579 miles June 30, 1905 (8,098 miles, June 30, 1916).

Since June 30, 1903, there has been issued to acquire stock of subsidiary companies a small amount additional of stock of the Chicago, Rock Island & Pacific Ry., so that on June 30, 1916, of the authorized (\$75,000,000) stock of that company there was outstanding \$74,482,522.

The Chicago, Rock Island & Pacific Ry. paid dividends in recent years as follows:

	'99-'02	'03	'04	'05	'06	'07 to '09	'10	'11	'12	'13	'14-'16
%.....	5	7½	8¼	7.88	6	5¼	4½	6¼	5¼	5	0

ROCK ISLAND CO.

On July 31, 1902, the Chicago, Rock Island & Pacific R. R. was incorporated, the entire stock, \$145,000,000 being owned by the Rock Island Co., a "holding" company incorporated July 30, 1902. The stockholders of the Chicago, Rock Island & Pacific Ry. were offered in exchange for each \$100 of stock, \$100 in the 100-year 4% gold bonds of the Railroad Co. (to be secured by a pledge with the trustee of an equal amount of stock of the Railway); also \$70 in the preferred stock and \$100 in the com-

mon stock of the Rock Island Co. (of N. J.). This preferred stock was declared entitled to non-cumulative dividends at the rate of 4% per annum until 1909; then at the rate of 5% for 1910 to 1916, inclusive, and thereafter at the rate of 6%. The preferred stockholders were entitled to elect a majority of the directors. Of the common stock of the Rock Island Co. \$75,000,000 was issuable, and of the preferred stock \$52,500,000 was issuable under the above terms of exchange. The preferred stock received 4% in dividends from 1903 to 1905. In 1906, the dividend was passed. On May 1, 1914, there were outstanding of the 100-year bonds \$71,353,500, and a like amount of Chicago, Rock Island & Pacific Ry. stock had been exchanged. On the date mentioned interest was defaulted on these bonds. The collateral securing these bonds was, as stated, sold under foreclosure, December, 1914.

In the years 1903 to 1907, \$17,364,180 Collateral Trust 5% bonds of 1913, of the C. R. I. & P. R. R., together with \$19,328,557 (1903-4) common stock of the Rock Island Co. were issued in exchange for practically all of the \$29,000,000 common stock of the St. Louis & San Francisco R. R. On February 1, 1910, following the announcement of the sale of the "Frisco," these bonds (\$17,364,180) were called for payment. These bonds were carried in the treasury of the C. R. I. & P. Ry. (which company advanced a large part of the necessary funds), until 1914-15. In that year \$6,112,000 bonds carried at a book value of \$7,314,661 were written off. Profit and Loss in 1914-15 was charged \$5,960,961 account of loss on same.

The "Rock Island" never received dividends from the "Frisco" stock owned and the purchase and sale of this stock resulted in considerable loss. The cost of retiring the Chicago, Rock Island & Pacific R. R. Collateral bonds was met from the proceeds (understood to have been \$10,852,612) derived from the sale of "Frisco" stock and by the sale to the Chicago, Rock Island & Pacific Ry. of \$7,500,000 new 5% bonds due September 1, 1913. Receivers were appointed for the "Frisco" in May, 1913 (see St. L. & S. F. R. R.).

RAILWAY'S REFUNDING BONDS.

In 1904, the Chicago, Rock Island & Pacific Ry. authorized the First and Refunding Mortgage, interest not to exceed 4% per annum. These bonds were authorized to be issued to the amount of \$163,000,000 of which \$82,025,000 bonds to refund an equal amount of prior lien bonds and the balance for future acquisitions, equipment and betterments. To June 30, 1916, \$111,140,000 of these bonds had been issued, of which \$40,794,000 to retire matured bonds, including \$11,000,000 C. R. I. & P. Ry. General Mortgage 4% bonds. Of the bonds issued to June 30, 1916, under the Refunding Mortgage \$16,199,000 were owned by the company (mostly pledged as collateral for Bills Payable).

ST. PAUL & KANSAS CITY SHORT LINE R. R.

In 1911, the St. Paul & Kansas City Short Line, a subsidiary of the Chicago, Rock Island & Pacific Ry., acquired control of the St. Paul & Des Moines R. R. This company formerly operated 121 miles of road (including 8 miles of trackage) from Des Moines, Iowa, to Mason City, Iowa. About 67 miles of new line (to Allerton, Iowa, a point on the C. R. I. & P. Ry. main line to Kansas City), was completed in 1913. This line affords the Rock Island the shortest route, by 43 miles, between St. Paul and Kansas City. The line is laid with 90-pound rail. The C. R. I. & P. Ry. owns all of the stock of the "Short Line." To acquire and complete this property the St. Paul & Kansas City Short Line R. R. issued \$10,000,000 of an authorized issue of \$30,000,000 4½% First Mortgage bonds, due 1941. These bonds were acquired by the C. R. I. & P. Ry., guaranteed by said company as to principal and interest and sold to the public. An additional \$2,545,000 of these bonds are owned by the company.

GOLD DEBENTURES OF 1912.

In 1912, the Chicago, Rock Island & Pacific Ry. authorized and issued (bonds sold to Speyer & Co.), \$20,000,000 20-year 5% Gold Debentures, due January, 1932. The interest due July, 1915, on these bonds was not paid until September, 1915. The January, 1916, interest was not paid when due (see a following paragraph).

GENERAL.

There was sold in 1909-10, \$11,000,000 of an authorized issue of \$30,000,000 First Mortgage 4½% bonds, due 1934, of the Rock Island, Arkansas & Louisiana R. R.; an additional \$1,965,000 of these bonds and all of the stock is owned by the Chicago, Rock Island & Pacific Ry. (the bonds are pledged), which leased the company for 999 years. The bonds are a mortgage on 364 miles of owned line, and a first lien on 38 miles of trackage rights. This line extends from Haskell, Ark., near Little Rock, to Eunice, La., from Tinsman, Ark., to Crossett, Ark., etc.

On June 30, 1916, main and second track owned and leased by the Chicago, Rock Island & Pacific Ry. (7,807 miles) contained:

619 miles of 100-pound rail,	846 miles of 65 to 67-pound rail,
212 miles of 90-pound rail,	1,407 miles of 60-pound rail,
1,330 miles of 85-pound rail	555 miles of 56-pound rail,
2,318 miles of 80-pound rail,	248 miles of lighter weights.
270 miles of 70-pound rail,	

As of June 30, 1916, 5,510 miles of road were ballasted with rock, burned clay, gravel and cinders (70.6%), and 2,297 miles of road were not ballasted.

During 1915-16 there were located along the Rock Island Lines 109 new industries costing about \$3,016,250 and employing about 1,633 men.

On June 30, 1916, Current Assets of the Rock Island Lines were \$17,231,333. Current Liabilities (including \$4,100,000 Loans and Bills Payable), were \$16,508,694; and there was a debit balance to Profit and Loss of \$10,707,555.

PLAN OF REORGANIZATION.

Under date of November 14, 1916, a Plan of Reorganization was announced. Under the Plan, \$257,758,383 bonds and Equipment Obligations remain undisturbed (including \$16,199,000 First and Refunding bonds, \$1,965,000 R. I. A. & L. First Mortgage bonds and \$2,757,000 St. P. & K. C. Short Line First Mortgage bonds). \$7,500,000 2-year Collateral Trust 6% Notes, \$2,500,000 5% and \$1,600,000 Secured Loans and \$6,588,000 Receiver's Certificates (\$5,488,000 5% and \$1,100,000 6%) will be paid off (see next paragraph).

The \$20,000,000 5% Debentures will be exchanged dollar for dollar for new 6% preferred stock (5% cumulative; 1% non-cumulative). The holders of the \$75,000,000 old stock will be assessed \$40 per share and will receive 40% in 7% preferred stock (5% cumulative and 2% non cumulative; having priority over the 6% preferred stock to the extent of 1% only) and 100% in new common stock.

The capitalization of the former company and the new company compare as follows:

	Old Co.	New Co.
Bonds, Equipment Notes, Debentures, etc. (incl. Treasury Bonds)	\$277,758,383	\$257,758,383
Notes and Receivers' Cts.	18,188,000	
Stock, Preferred 6%		20,000,000
Stock, Preferred, 7%		29,743,889
Stock, Common	74,359,722	74,359,722
Total	\$370,306,105	\$381,861,994
Total includes Fixed Obligations	\$295,946,383	\$257,758,383

The total as above includes all bonds held in the treasury.

A total of \$29,743,889 cash will be raised, as per Plan. Approximately \$1,360,000 claims and debts were not allowed by the Receiver. Guaranties have been relinquished on the bonds (\$2,500,000) of the Keokuk & Des Moines Ry. and (\$2,500,000) of the Consolidated Indiana Coal Co.

COLORADO & SOUTHERN RY.

See Table, page 165.

In 1908, the Chicago, Burlington & Quincy R. R. acquired a controlling interest in this company. The amounts of each class

of Colorado & Southern Ry. stock held by the C. B. & Q. R. R. June 30, 1915, was as follows: First preferred \$1,130,000; second preferred, \$6,078,700; common, \$23,667,500. As of June 30, 1916, the Northern Pacific Ry. owned an additional \$100,000 common stock.

The first and second preferred stocks are entitled to non-cumulative dividends of 4% in order of priority. Dividends on the first and second preferred stocks have been paid in April and October, and on the common stock annually in December, as follows:

	'04	'05	'06	'07	'08-'11	'12	'13	'14-'15	'16
First Preferred % ..	2	0	4	4	4	4	4	0	*2
Second Preferred %	0	0	0	4	4	4	4	0	0
Common %	0	0	0	0	2	1	0	0	0

*Paid October, 1916.

REFUNDING AND EXTENSION BONDS.

In 1905, a new mortgage known as the Refunding and Extension Mortgage was authorized. The bonds (\$100,000,000 authorized) bear interest at 4½% per annum and mature 1935. \$36,850,000 of these bonds were reserved for refunding purposes, the balance being issuable for extensions, betterments, etc. To June 30, 1916, bonds under this mortgage to the amount of \$35,594,347 had been issued, of which \$4,790,477 bonds were held in the treasury on that date.

HISTORY.

The increase in operated mileage of the System to 1,842 miles June 30, 1916, as against 1,118 miles 1904-5 (Colorado & Southern Ry. proper), is shown as follows:

	Miles
Ft. Worth & Denver City Ry. (Acquired 1905-6)	454
Wichita Valley Lines (Mostly acquired in 1906-7)	257
Denver & Interurban R. R. (Acquired 1908-9)	29
Add mileage of Colorado & Southern Ry. proper.....	1,102
Total mileage	1,842

A large majority of the stock of the Ft. Worth & Denver City Ry. had previously been owned by the Colorado & Southern Ry.

An additional 262 miles of road were owned on June 30, 1916, but were not operated by the Colorado & Southern Ry. This mileage included the Colorado Springs & Cripple Creek District Ry. (acquired 1905-6) which was leased in 1911-12 to the Florence & Cripple Creek R. R. (Cripple Creek Central Ry.).

TRINITY & BRAZOS VALLEY RY.

The Rock Island System holds a half interest, subject to pledge under the Refunding and Extension Mortgage, in the securities

of the Trinity & Brazos Valley Ry. acquired by the Colorado & Southern Ry. "Rock Island" assumed one-half the requirements for interest, etc., on account of the Trinity & Brazos Valley Ry. as they accrued and contracted to pay on May 1, 1935 (the date of maturity of the Refunding and Extension Mortgage), for an unencumbered half interest in the Trinity & Brazos Valley Ry. securities, or to join in refinancing the same. It is claimed that the "Rock Island" is obligated to pay to the Colorado & Southern Ry. on May 1, 1935 (as stated) the sum of \$5,517,000, but this has been disavowed by the Receivers of the "Rock Island."

The Trinity & Brazos Valley Ry. operates 315 miles, extending from Cleburne, Tex., to Houston, Tex., with branches to important points. The Trinity & Brazos Valley Ry. owns the Galveston Terminal Ry. and a one-quarter interest in the Houston Belt & Terminal Ry. The Colorado & Southern Ry. owns a one-half interest in the stock and a one-half interest in the bonds of the Trinity & Brazos Valley Ry. These securities (together with the Rock Island's share) are pledged under the First and Refunding Mortgage of the Colorado & Southern Ry. On June 16, 1914, a Receiver was appointed for the Trinity & Brazos Valley Ry.

The Trinity & Brazos Valley Ry. has shown the following results from operation during the past nine fiscal years:

	Mileage	Gross	Deficit
1907-8.....	422	\$1,075,003	\$1,179,324
1908-9.....	455	1,943,332	902,024
1909-10.....	459	2,028,607	933,436
1910-11.....	463	1,959,356	965,197
1911-12.....	463	2,569,455	1,164,031
1912-13.....	463	2,835,818	1,227,035
1913-14.....	463	2,302,679	1,497,116
1914-15.....	315	980,592	1,171,640
1915-16.....	315	912,801	.....

COLORADO & SOUTHERN RY.

On June 30, 1916, Current Assets were \$5,998,120, and Current Liabilities were \$2,224,007. Corporate Surplus including \$2,630,-945 Profit and Loss Balance, \$6,488,792 Additions to Property through Income or Surplus, and \$2,000,000 Appropriated Surplus not Specifically Invested, amounted to \$11,621,134.

DENVER & RIO GRANDE R. R.

See Table, page 166.

The preferred stock is entitled to non-cumulative dividends of 5% per annum, after which the common stock is entitled to 5% per annum. Both classes of stock share alike in all further dividends, after 5% has been paid on each. No dividend has ever been paid on the common stock. The full dividend on the preferred was

paid from 1900, to and including the semi-annual payment of 2½% in January, 1911.

In July, 1911, the preferred dividend was passed, the amount being used to meet the September interest requirements (about \$1,250,000) of the Western Pacific Ry. (See a following paragraph.) No further dividends have been paid.

From the surplus for the years 1902-3 to 1908-9 inclusive, an aggregate sum of \$3,969,099 was appropriated for equipment, additions and improvements. From the surplus of 1912-13, 1913-14, 1914-15 and 1915-16, \$389,000, \$80,928, \$211,045 and \$2,300,000 was so appropriated. In addition, sums of not less than \$120,000 have been appropriated annually for a number of years to and including 1915-16, to the Renewal Fund.

The majority, or \$3,579,737, of the capital stock of the Rio Grande Southern R. R. and \$1,777,000 4% bonds are owned by the Denver & Rio Grande R. R. That road is operated separately. The Denver & Rio Grande R. R. guarantees \$2,277,000 (about half), of the 4% bonds of the Rio Grande Southern R. R. The Denver & Rio Grande R. R. also guarantees, jointly with the Colorado Midland Ry., \$2,000,000 5% bonds of the Rio Grande Junction Ry. leased, and jointly with the Western Pacific Ry. \$1,100,000 5% bonds of the Salt Lake City Union Depot & R. R. Co.

As of June 30, 1916, the Denver & Rio Grande R. R. owned \$10,000,000 stock of the Utah Fuel Co., valued on the books of the company at \$6,000,000. A dividend of \$600,000 (6%) was paid by the Utah Fuel Co. in 1913-14. In 1914-15, 5% was paid.

The Utah Fuel Co. owns about 26,500 acres of coal lands containing, it is estimated, over 172,000,000 tons of coal. The company has outstanding about \$2,400,000 5% bonds. The mines are located adjacent to the lines of the Denver & Rio Grande R. R.

STOCK HELD BY MISSOURI PACIFIC RY.

As of June 30, 1916, the Missouri Pacific Ry. owned \$9,805,000 preferred and \$17,295,000 common stock of the Denver & Rio Grande R. R., mostly deposited as collateral for Notes.

INCREASE IN STOCK.

During the year 1901-2 \$12,500,000 preferred stock was sold to stockholders at \$90 per share, and the proceeds used to acquire the entire common stock of the Rio Grande Western Ry., and \$8,250,000 additional preferred stock was issued in exchange for substantially all of the \$7,500,000 preferred 5% stock of the Rio Grande Western Ry. on the basis of 10 shares of the latter for 11 shares of the former. Since 1901-2, preferred stock has been issued as follows: \$1,200,000 in 1904-5, \$112,700 in 1905-6, \$48,700 in 1906-7, \$18,400 in 1908-9, and \$4,000,000 in 1909-10.

The \$4,000,000 preferred stock issued in 1909-10, was sold to provide additional funds for the Western Pacific Ry.

CONSOLIDATION IN 1908.

The stockholders voted in July, 1908, to merge the Denver & Rio Grande R. R. and the Rio Grande Western Ry., and in September, 1908, authorized a First and Refunding Mortgage covering the consolidated properties to secure an issue of \$150,000,000 5% bonds due August, 1955 (interest February and August); \$90,000,000 were reserved to retire underlying issues and the balance for various purposes. As of June 30, 1916, the total amount of these bonds in the hands of the public was \$33,039,000. Of new bonds, \$23,000,000 were available under the terms of the mortgage, to enable the consolidated company to purchase as many Western Pacific Ry. 5% Second Mortgage bonds at 75% and interest as should be necessary to complete, and provide stipulated equipment for the main line of the Western Pacific Ry.

In 1912, there was authorized the Denver & Rio Grande R. R. Adjustment Mortgage. A total of \$25,000,000 bonds are secured by this mortgage, of which \$10,000,000 were subscribed for June 1, 1912. The bonds bear 7% interest contingent upon income. The interest which is being paid is cumulative and all deferred payments will be due and payable at maturity.

It was provided that the proceeds from the sale of \$2,500,000 Adjustment bonds should be advanced to the Western Pacific Ry. and the proceeds of \$7,500,000 bonds should be used for additions and betterments.

GENERAL.

On June 30, 1916, the Denver & Rio Grande R. R. owned stocks and bonds and other investments, including stock, bonds and Notes of the Western Pacific Ry., of a par value of approximately \$151,883,442, carried on the books at a value of \$70,617,474. Of these, upwards of \$120,000,000 par value are deposited as collateral for certain issues of mortgage bonds, including sinking funds, etc.

Of the 2,572 miles operated June 30, 1916, 836 miles were narrow gauge.

On June 30, 1916, Current Assets, including \$4,220,769 cash and \$1,626,367 materials and supplies, were \$9,931,776, and Current Liabilities were \$4,312,431.

WESTERN PACIFIC RAILWAY.

In 1904-5 the Denver & Rio Grande R. R. assisted in organizing the Western Pacific Ry. for the purpose of building a main line

of railway from San Francisco to Salt Lake City, with certain branches, total 927 miles. The financial arrangements for the construction of this line were completed by the sale of \$50,000,000 First Mortgage 5% 30-year bonds of the Western Pacific Ry. It was estimated that the proceeds of this issue would cover the cost of the main line with terminals and necessary equipment. The line was opened for traffic in 1909. The interest accruing upon the Western Pacific Ry. bonds during the period of construction was included as a part of the cost of construction.

As a part of the plan for financing the new line, contracts were, on the part of the Denver & Rio Grande R. R. and the Rio Grande Western Ry., entered into with the Western Pacific Ry., the principal features of which were:

It was agreed that in the event that the proceeds of the First Mortgage bonds of the Western Pacific Ry. should prove insufficient to complete the main line and to provide terminals and equipment to the amount of \$3,000,000, that the Rio Grande Western Ry. (D. & R. G. R. R. successor), would undertake to provide sufficient funds to assure the completion of the new line, and if called upon to make any advances, to take Second Mortgage bonds of the Western Pacific Ry., bearing interest at 5% per annum.

The Denver & Rio Grande R. R. undertook to make up any deficit in income of the Western Pacific Ry. to an amount required to meet its operating expenses and taxes, and after completion of the main line, the interest upon its First Mortgage bonds, and Sinking Fund. For all advances so made the D. & R. G. R. R. received the promissory notes of the Western Pacific Ry., payable from its first available income. The Denver & Rio Grande R. R. guaranteed the interest on the First Mortgage bonds of the Western Pacific Ry. and held as of June 30, 1916, \$62,500,000 par value stock of the latter. This was carried at a book value of \$4,284,952.

To June 30, 1916, the Denver & Rio Grande R. R. had received from the Western Pacific Ry. Promissory Notes for \$14,252,915, to cover the principal part of the Western Pacific Ry.'s indebtedness to the Denver & Rio Grande R. R. for interest advances, accrued interest (unpaid) on its Second Mortgage bonds owned by the Denver & Rio Grande R. R., etc. This Note was deposited under the latter's Adjustment mortgage.

On March 5, 1915, Receivers were appointed for the Western Pacific Ry., the interest due March 1 having been defaulted and the Denver & Rio Grande R. R. being unable to advance the necessary amount. See Western Pacific R. R. Corporation regarding Plan of Reorganization announced December, 1915, which called for the elimination by foreclosure of the \$25,000,000 Second Mortgage 5% bonds, the \$26,800,000 claims and unsecured debt owned by the Denver & Rio Grande R. R., and its subsidiary, the Utah Fuel Co. and the \$75,000,000 stock.

EL PASO & SOUTHWESTERN CO.

See Table, page 167.

Dividends at the rate of 5% per annum have been paid since 1911; in 1910 7% was paid. Dividends are paid quarterly beginning March.

This company operates the El Paso & Southwestern R. R. of Texas (5 miles); the El Paso & Southwestern R. R. (457 miles); Burro Mountain R. R. (13 miles); El Paso & Northeastern R. R. (19 miles); El Paso & Northeastern Ry. (150 miles); El Paso & Rock Island Ry. (127.5 miles); Dawson Ry. (132 miles); Alamogordo & Sacramento Mountain Ry. (31 miles); Chicago, Rock Island & El Paso Ry. (60 miles). Total, including 33 miles Atchison, Topeka & Santa Fe Ry. line operated under trackage rights, 1,027 miles.

The El Paso & Southwestern Co. and its subsidiaries also own the entire stock (\$400,000), and \$320,000 of \$400,000 bonds of the Alamogordo Lumber Co.; the \$100,000 stock of the Dawson Ry. & Coal Co., which company owns the Dawson Ry. (see above and the Dawson Fuel Co., which in turn owns about 35,000 acres of coal lands; \$200,000 stock of the Southwestern & International Express Co., and \$200,000 stock of the Texas & Western Telegraph & Telephone Co.; the entire \$750,000 stock of the Morenci Southern Ry. (18 miles), and the entire \$1,250,000 stock of the Nacozari R. R. (Douglas, Ariz., to Nacozari, Mexico—77 miles). The last two railways mentioned do not directly form a part of the El Paso & Southwestern System. This company formerly held a large interest in the stock of the Rock Island Co. On account of loss on this investment Profit and Loss was debited in 1913-14 \$1,000,000 and in 1914-15, \$3,039,999.

The balance sheet as of June 30, 1916, showed \$5,855,225 Current Assets as against \$3,734,743 Current Liabilities.

The weight in rail per yard in main line and branches as of June 30, 1916, averaged as follows:

98 miles of 90-pound rail,	204 miles of 75-pound rail,
199 miles of 85-pound rail,	196 miles of 70-pound rail,
141 miles of 80-pound rail,	156 miles of 65-lb. and lighter rail.

The El Paso & Southwestern Co. proper has \$2,000,000 bonded debt. Bond issues of Subsidiary Companies outstanding June 30, 1916 were as follows:

(1) New Mexico Ry. & Coal Co. First and Collateral Trust 50-Year 5% bonds, due 1947. \$3,000,000 authorized and outstanding.

(2) New Mexico Ry. & Coal Co. First and Consolidated and Collateral Trust 50-Year 5% bonds, due Oct. 1, 1952. Authorized \$5,000,000; outstanding, \$1,792,000. Of unissued bonds \$3,000,000 are reserved to retire the First and Collateral Trust bonds, due 1947, as above.

(3) Dawson Ry. & Coal Co. First Mortgage and Collateral Trust 50-Year 5% bonds, due 1951 (a collateral mortgage on the

Dawson Ry.—132 miles—and the Dawson Fuel Co.). \$3,000,000 outstanding.

(4) Alamogordo & Sacramento Mountain Ry. First Mortgage 30-Year 5% bonds, due 1928. \$900,000 authorized, \$372,000 outstanding, including \$50,000 bonds owned by the El Paso North-eastern Co.

(5) El Paso & Rock Island Ry. First Mortgage 50-Year Gold 5% bonds, due 1951, \$2,500,000 authorized and outstanding.

Various other bond issues are owned by the subsidiary companies and pledged as collateral for the several bond issues mentioned above.

INTERNATIONAL & GREAT NORTHERN RY.

See Table, page 168.

The International & Great Northern Ry. is the successor through reorganization of the International & Great Northern R. R.

Under the terms of the Plan of Reorganization \$10,391,000 Second Mortgage 6% bonds (matured 1909) were paid off at 100 and interest, the interest amounting to \$2,516,644. The holders of the Third Mortgage bonds (\$2,961,000 outstanding) received \$3,421,930 in common stock of the I. & Gt. N. Corporation representing par in principal and par in unpaid interest. The stock of the old company was wiped out.

The cash required at reorganization of the company (\$15,340,000) was raised by (1) the sale to bankers of \$11,000,000 3-year 5% Notes, due August 1, 1914 (see a following paragraph) secured by deposit of \$13,750,000 First Refunding Mortgage 5% bonds due 1931 of the new company; (2) by the sale to the syndicate of \$1,600,000 First Refunding bonds, \$3,400,000 preferred stock (dividends limited to 5%, non-cumulative), and \$2,500,000 common stock. The \$1,600,000 bonds are included among those deposited as collateral for the Notes. Upon the liquidation of the Notes the bonds contributed by the syndicate were to have been surrendered to the new company in exchange for a like amount of preferred stock.

A dividend of 5% was paid on the preferred stock in 1912-13; none since.

On August 11, 1914, the International & Great Northern Ry. itself passed into the hands of Receivers. Principal and interest were defaulted on the 5% Notes due August, 1914, and interest was defaulted on the Refunding Mortgage bonds.

As of June 30, 1916, Current Assets were \$2,048,928, as against Current Liabilities to the amount of \$1,537,177.

As of June 30, 1916, weight of rail in main track was as follows:

5 miles of 85-pound rail,	14 miles of 70-pound rail,
37 miles of 80-pound rail,	171 miles of 56-pound rail,
714 miles of 75-pound rail,	155 miles of 52-pound rail.

KANSAS CITY SOUTHERN RY.

See Table, page 169.

The preferred stock is entitled to and is limited to non-cumulative dividends of 4% per annum. In July, 1907, 4% (the initial dividend) was paid on this stock. Dividends at the rate of 4% per annum are now being paid, quarterly beginning January.

FINANCE.

Under date of July 1, 1909, the company paid off the outstanding Notes aggregating \$5,100,000, and created \$21,000,000 Refunding and Improvement bonds, bearing interest at not exceeding 5% per annum, due April 1, 1950 (interest January and July), to be secured by all the property and franchises of the company owned and hereafter acquired, subject to the existing liens thereon. Of this new issue of bonds there have been sold: \$15,000,000 prior to June 30, 1911; \$1,500,000 in 1912-13, \$500,000 in 1914-15 and \$1,000,000 in 1915-16 (total \$18,000,000 to June 30, 1916).

Profit and Loss was charged in 1909-10, \$375,000, in 1910-11, \$212,683; \$67,620 in 1912-13, \$12,500 in 1913-14, \$13,018 in 1914-15 and \$92,487 in 1915-6, for discount on the sale of these bonds.

GENERAL.

The balance sheet as of June 30, 1916, shows \$3,532,930 Current Assets (including \$1,209,448 material and supplies), and \$3,224,661 Current Liabilities. Profit and Loss showed a credit balance of \$6,052,409.

The Kansas City Southern Ry. controls by virtue of its ownership of securities, all the property of the Port Arthur Canal & Dock Co., the K. C. S. Elevator Co., the Mena Land & Improvement Co., the Kansas City, Shreveport & Gulf Terminal Co., the Poteau Valley R. R., and the Arkansas Western Ry. Co., the operations of which companies are reported separately in this company's annual reports.

MIDLAND VALLEY R. R.

See Table, page 170.

No dividends are being paid on the stock of this company.

The obligations of this company on June 30, 1916, consisted of (1) \$5,000,000 Mortgage 5% bonds due 1943 (\$15,000,000 authorized); (2) \$5,512,500 Adjustment Mortgage Income bonds, due 1953. These bonds (\$3,512,500 Series "A" and \$2,000,000 Series "B", Series "B" subject to Series "A") bear interest up to 5% if earned. They are a second lien on all property secured by the First Mortgage bonds, and are redeemable at par. Provided the Cherokee Construction Co. shall exercise its option to purchase the preferred stock, as explained below, these adjustment Mortgage bonds become cumulative as to their interest.

The two classes of bonds and \$4,006,500 each of common and 5% preferred stock (\$16,000,000 and \$5,000,000 authorized) were issued February 1, 1913, under a Plan of Readjustment. The Company at that time had a floating debt of over \$500,000, and had outstanding bonds and notes as follows: Prior Lien 5% bonds, \$6,000,000; Wichita & Midland Valley R. R. First Mortgage 5% bonds, \$1,025,000; 6% Notes \$1,800,000; also \$8,013,000 stock (owned by Cherokee Construction Co.). The holders of the Prior Lien and W. & M. V. 5% bonds received for each \$1,000 bond, \$450 in cash and \$500 in Adjustment Mortgage bonds while the Noteholders received for each \$1,000 Note \$1,000 in Adjustment bonds Series "B" and \$750 in preferred stock. \$200,000 Adjustment bonds Series "B," the balance of the \$4,006,500 preferred stock and the \$4,006,500 common was all (with the exception of \$1,760,000 preferred stock issued to creditors of the M. V. R. R. holding \$1,760,000 old common stock) issued to the Cherokee Construction Co. in exchange for old stock, claims, etc. The cash necessary to pay bondholders, to pay off floating debt and to make improvements was raised by the sale of the \$5,000,000 First Mortgage bonds as above. The Cherokee Construction Co. has an option to purchase all outstanding preferred stock (par. \$50) at \$20 per share in 1917; \$22.50 per share in 1918 and 1919; \$25 per share in 1920 and 1921 and \$27.50 per share in 1922 and 1923.

The Midland Valley R. R. (including the W. & M. V. R. R.) operates a line of road from Wichita, Kan., in a southeasterly direction, via Arkansas City, Kan., and Muskogee, Okla., to Hoya, Ark., with branches to Fort Smith, Ark., etc. (total mileage about 380 miles, including 25 miles of trackage).

During 1915-16 Profit and Loss was debited \$1,221,590 Depreciation on Equipment to July 1, 1915.

As of June 30, 1916, Current Assets amounted to \$572,611 while Current Liabilities were \$343,711. The debit balance to Profit and Loss account was \$2,156,475.

MISSOURI, KANSAS & TEXAS RY.

See Table, page 171.

On September 27, 1915, Charles E. Shaff was appointed Receiver for this railway (see a following paragraph).

In May, 1906, an initial semi-annual dividend of 2% was paid on the preferred stock. The preferred stock is limited to non-cumulative dividends of 4% per annum. Dividends at that rate were paid from 1906 to 1913, inclusive.

During 1915-16 there were issued \$1,750,000 San Antonio Belt & Terminal Ry. 3-year Notes guaranteed principal and interest by the Receivers of the M. K. & T. Ry. The proceeds will be used

to construct a passenger and freight terminal at San Antonio, Texas.

BONDS.

On June 30, 1905, there were outstanding Equipment Obligations to the amount of \$4,591,536, retireable in installments. The payments of these installments required large appropriations from surplus each year. In 1906, a new mortgage was authorized securing an issue of \$20,000,000 General Mortgage 4½% Sinking Fund bonds, due 1936. Of this issue \$13,170,000 had been held to June 30, 1916, of which amount \$10,000,000 was sold in 1906, largely to stockholders at 87½. On June 30, 1916, \$10,421,000 bonds of this issue were in the hands of the public, \$2,749,000 were held alive in the Sinking Fund, and \$6,830,000 were pledged as part collateral for the Consolidated Mortgage.

In 1904-5, the stockholders authorized \$40,000,000 First and Refunding Mortgage 4% bonds, due 2004. First and Refunding Mortgage bonds outstanding June 30, 1916, \$9,992,000; owned and pledged, \$448,000.

TEXAS CENTRAL R. R. ACQUIRED.

In 1910, practically all of the stock of the Texas Central R. R. was purchased. On June 30, 1916, all except \$17,700 of the \$1,325,000 preferred stock and \$2,675,000 common stock was owned by the Missouri, Kansas & Texas Ry. The \$2,000,000 bonds of the Texas Central R. R. have been assumed by the Missouri, Kansas & Texas Ry., and since July 1, 1910, the operations of that company have been merged with those of the latter. The Texas Central R. R. extends from Waco, Texas, westward, via Stamford, to Rotan, Tex., with a branch (309 miles).

WICHITA FALLS & NORTHWESTERN RY. ACQUIRED.

In 1911, the Missouri, Kansas & Texas Ry. purchased the entire \$2,000,000 capital stock of the Wichita Falls & Northwestern Ry., which company owned the Wichita Falls & Southern Ry. The Missouri, Kansas & Texas Ry. assumed the bonds of this company, aggregating \$7,902,000 (\$2,225,500 owned by M. K. & T. Ry. mostly pledged). These companies operated on June 30, 1916, a system of railways, aggregating 436 miles. These lines are located in Northern Texas and in Oklahoma, and connect with the Wichita Falls (Texas) division of the Missouri, Kansas & Texas Ry.

The operations of the Wichita Falls Lines have been included in the System's earnings since November 1, 1912.

SECURED NOTES.

To refund \$16,000,000 Two-year Notes at maturity and for other purposes, the company issued May 1, 1913, \$19,000,000 5% Notes

due May 1, 1915. At maturity, the company requested the Noteholders to accept, in lieu of cash, par in 6% one-year Notes. Holders of about 95% of the Notes accepted the proposal as did holders of \$2,733,250 short time bank loans. Suits having been brought against the company by Noteholders not assenting to the extension of the Notes and other suits having been threatened, it was decided, September 27, 1915, to place the company in the hands of a Receiver. Since the date of the Receivership the company has defaulted on a large majority of its bonds, including the First Mortgage bonds. Interest in default to June 30, 1916, totalled \$3,594,262.

FINANCES—GENERAL.

The stockholders in 1910, authorized a new mortgage known as the Consolidated Mortgage, securing an issue of thirty-year gold bonds limited to \$125,000,000, bearing such rate of interest, not exceeding 5% as may be determined. These bonds will be available for additions, equipment, new terminals, for refunding purposes, etc. To June 30, 1916, \$30,292,000 of these bonds were delivered to the company, all of which were pledged as collateral for the \$19,000,000 Notes.

On June 30, 1916, Working Assets were \$8,689,685 and Working Liabilities were \$13,157,755. There was a credit balance to Profit and Loss of \$4,105,023.

In 1911 the Wichita Falls & Northwestern Ry. operating a large mileage in northern Texas and Oklahoma, was acquired. The bonds of the acquired company were assumed by the Missouri, Kansas & Texas Ry.

MISSOURI PACIFIC RY.

See Table, page 172.

On August 17, 1915, President B. F. Bush was appointed Receiver for the Missouri Pacific Ry. and the St. Louis Iron Mountain & Southern Ry. (see last paragraph following regarding Plan of Reorganization).

From January 1, 1901, to July 1, 1907, cash dividends were regularly paid at the rate of 5% per annum. The regular semi-annual dividend of 2½% was paid in January, 1908, in stock, \$1,945,450 capital stock having been issued for that purpose. In July, 1908, the dividend was passed.

SECURITIES OWNED.

On June 30, 1916, the Missouri Pacific Ry. owned \$44,349,604 of the \$44,391,299 capital stock of the St. Louis, Iron Mountain & Southern Ry., an affiliated road.

The Missouri Pacific Ry. and the St. Louis, Iron Mountain &

Southern Ry. owned on June 30, 1916, a large amount of stocks and bonds of other companies; among these were the following:

	Amount Owned by Missouri Pacific System
Texas & Pacific Ry. Co. 2nd Incomes.....	(1) \$23,703,250
Texas & Pacific Ry. Co. Stock.....	6,555,000
Texas & Pacific Ry. Co. Notes 5% and 6%.....	1,670,380
Denver & Rio Grande R. R. Co. com. stock.....	(2) 17,295,000
Denver & Rio Grande R. R. Co. pfd. stock.....	(2) 9,805,000

A large amount of Wabash R. R. (old company) securities were formerly owned.

Note:—(1) Acquired by the Iron Mountain; the latter gave \$650 of its Unifying and Refunding bonds for each \$1,000 Income bond. No interest has been paid on the latter bonds since 1908; (2) Largely acquired through the sale of \$13,866,435 Missouri Pacific Ry. stock in 1901 (about \$10,000,000 sold at par).

BONDS.

In 1903 \$20,000,000 of an authorized issue of \$50,000,000 "Iron Mountain," River & Gulf Division First Mortgage 4% bonds were sold. These bonds were issued to provide funds with which to purchase additional terminal properties in St. Louis and East St. Louis, and to acquire and construct 677 miles of railroad comprising a system extending from St. Louis along the east side of the Mississippi River to Thebes, Ill., and on the west side of the river, via West Memphis, to the Texas & Pacific Ry. connection at Clayton, and by means of this connection completing a Valley Railroad System from St. Louis to New Orleans. (Completed 1905.) The bonds are a lien on 772 miles of road, \$34,548,000 bonds of this issue were outstanding December 31, 1916.

Prior to 1910, \$37,255,000 of an authorized issue of \$50,000,000 new 4% 40-year bonds of the Missouri Pacific Ry. were sold. They were secured by a like amount of "Iron Mountain" stock. Interest on these bonds was defaulted in September, 1915.

FIRST AND REFUNDING BONDS, MISSOURI PACIFIC RY.

Stockholders in 1910 authorized an issue of First and Refunding Mortgage 5% bonds due 1959 (authorized issue limited to \$150,000,000). Of this issue, \$29,806,000 were offered to stockholders at 95. They were convertible into stock of the company at par until September 1, 1932. See a following paragraph regarding default of interest on this issue.

FIRST AND REFUNDING BONDS, IRON MOUNTAIN.

Under date of July 1, 1912, an issue of \$200,000,000 of First and Refunding Mortgage 6% bonds, due 1952, of the "Iron Mountain Ry." were authorized. \$29,423,000 of these bonds have been issued,

most are owned by the Missouri Pacific Ry., and are deposited under the latter's 3-year Gold Notes or otherwise pledged.

SECURED NOTES.

On June 1, 1911, there were issued \$25,000,000 Three-Year Secured 5% Gold Notes. At maturity these Notes were extended one year at 6%. On June 1, 1915, a further extension of one and one-half years at 6½% was requested. \$24,773,000 of these Notes were outstanding June 30, 1916. These will be refunded in accordance with Plan of Reorganization (see following). These Notes are secured by \$1,972,000 First and Refunding bonds, by \$25,000,000 First and Refunding Mortgage 6% bonds and \$1,070,000 stock of the "Iron Mountain Ry.," by \$9,800,000 preferred stock and \$15,000,000 common stock of the Denver & Rio Grande R. R., and by other securities.

GENERAL AND FINANCIAL.

The System reported 426,629 acres of land owned and unsold June 30, 1916.

Main track, June 30, 1916, contained:

250 miles of 100-pound rail.	922 miles of 75-pound rail.
544 miles of 90-pound rail.	88 miles of 70-pound rail.
2,443 miles of 85-pound rail.	832 miles of 60 to 65-lb. rail.
28 miles of 80-pound rail.	2,175 miles of lighter rail.

The balance sheet as of June 30, 1916, of the Missouri Pacific Ry. (Consolidated System) showed Current Assets of \$12,562,983, and Current Liabilities of \$19,560,475. Current Assets included \$4,768,188 material and supplies.

REORGANIZATION PLAN.

Under date of July 1, 1915, Kuhn, Loeb & Co. as Readjustment Managers announced a Plan of Readjustment of Capital and Debt of the Missouri Pacific Ry. and the Iron Mountain.

To carry out this plan which calls for the formation of a new company, a new First and Refunding Mortgage has been authorized of which \$46,923,150 bonds bearing interest at 5% per annum are issuable. These bonds will mature at a date not earlier than 1965 and the authorized principal amount will never exceed three times the amount of stock outstanding. The bonds will be callable at 107½ and interest after 1920.

A new General Mortgage to cover \$100,000,000 bonds to mature about 1975, has also been authorized; \$44,399,292 bonds bearing interest at 4% per annum, are issuable under the Plan. The bonds are subject to the First and Refunding Mortgage.

The preferred stock of the new company will be entitled to dividends at the rate of 5% per annum in priority to the common stock, said dividends to be cumulative after June 30, 1918. The Readjustment Managers reserve the right to substitute Income Bonds for preferred stock. \$82,839,585 common stock will also be issued. A total of \$128,458,620 bonds will remain undisturbed and \$27,043,000 Notes and equipment Obligations are to be paid off.

The cash requirements to carry out the Plan amount to \$41,419,792. The Plan follows:

SCHEDULE OF PARTICIPATION IN DISTRIBUTION OF NEW SECURITIES BY HOLDERS OF EXISTING SECURITIES PARTICIPATING IN THE PLAN.

Existing Securities		New First and Re-funding Mortgage 5% Bonds		New General Mortgage 4% Bonds		New 5% Preferred Stock or 5% Income Bonds	
Amount	Description	Per Cent.	Amount	Per Cent.	Amount	Per Cent.	Amount
\$14,904,000	Missouri Pacific Consolidated First 6s.....	110	\$16,394,400				
\$14,375,000	Missouri Pacific Collateral Trust 5s of 1917.....	100	14,375,000				
\$9,636,000	Missouri Pacific Collateral Mortgage 5s of 1920.....	100	9,636,000				
\$37,255,000	Missouri Pacific Gold Loan 4s.....					100	\$37,255,000
\$29,806,000	Missouri Pacific First and Refunding 5s.....					100	29,806,000
\$650,000	Missouri Pacific Lexington Division First 5s.....					100	650,000
\$3,972,000	Kansas & Colorado Pacific 6s.....					100	3,972,000
\$3,459,000	Central Branch 4s.....			50	\$1,729,500	50	1,729,500
\$2,500,000	Central Branch Union Pacific 4s.....			50	1,250,000	50	1,250,000
\$520,000	Leroy and Caney Valley First 5s.....					100	520,000
\$1,024,000	Kansas City Northwestern 5s.....					100	1,024,000
\$500,000	Boonville, St. Louis and Southern 5s.....					100	500,000
\$4,175,000	Iron Mountain First and Refunding 6s.....	105	4,383,750				
\$393,000	Little Rock Junction First Consolidated 6s, guaranteed by Iron Mountain Company.....	100	393,000				
\$1,741,000	Texas and Pacific Notes endorsed by Iron Mountain Company.....	100	1,741,000				
\$82,839,585	Missouri Pacific Stock (assessed \$50 per share)*.....			*50	*41,419,792		*
\$45,135	Iron Mountain Company Stock outstanding.....					100	45,135
	Total.....		\$46,923,150		\$44,399,292		\$76,751,635

*The holders of stock of the Missouri Pacific Ry. will also receive \$82,839,585 (100%) in common stock of the new company.

A large majority of the above bond issues have defaulted payment of interest.

It was announced in 1917 that a considerable majority of the Gold Loan 4% bonds, the First and Refunding 5% bonds, and the Kansas & Colorado Pacific 6% bonds have been deposited under the Plan, likewise large amounts of the various other bonds as above. About \$69,634,800 of the \$82,884,720 stock had been deposited prior to the date mentioned.

NEW ORLEANS, TEXAS & MEXICO RY.

See Table, page 173.

No dividends are being paid on the stock of this company.

There were authorized in 1910 by the "Frisco," which formerly controlled this property, \$50,000,000 New Orleans, Texas & Mexico Division First Mortgage Gold bonds (interest not to exceed 5% per annum). Of these bonds, \$28,582,930 were issued, bearing interest at 5% and 4½%. These bonds were secured by a first mortgage executed by the New Orleans, Texas & Mexico R. R. to reimburse the Frisco for advances made by it for construction, acquisitions, equipment, etc.

The interest on this new issue of bonds, which was payable by the former New Orleans, Texas & Mexico R. R., was defaulted September 1, 1913. Receivers were appointed for the New Orleans, Texas & Mexico R. R.

On August 25, 1915, a Plan of Reorganization for the N. O., T. & M. R. R. was announced. Holders of the defaulted 4½% and 5% bonds by paying \$200 per \$1,000 bond were entitled to receive \$200 in First Lien 6% bonds, due 1925, \$500 in non-cumulative 5% Income bonds, due 1935, and \$500 in new stock. If the bondholders did not pay the \$200 cash they received per \$1,000 bond \$400 Income bonds and \$250 in stock. The total amount of new securities authorized by the new company, the N. O., T. & M. Ry., and issued follows:

	Authorized	Issuable under plan
First Lien Bonds	\$15,000,000	\$5,870,000
Income Bonds (non-cum.)	15,000,000	14,675,000
Stock	25,000,000	15,000,000

The total mileage of the New Orleans, Texas & Mexico Ry. lines comprises 1,013 miles of main line trackage. The road extends from New Orleans to Matamoras, Mex., with several branches. The tracks of the Yazoo & Mississippi Valley R. R. are used from New Orleans to Baton Rouge (93 miles). From Baton Rouge the line extends via Beaumont, Houston and Brownsville, Tex., to the terminal at Matamoras, Mex., opposite Brownsville.

This road makes no connection with the Frisco and its mileage was not included in the mileage operated by the "Frisco," as shown on the table page in this book. Its earnings were reported separately. A large deficit was earned annually on the former capitalization.

RIO GRANDE SOUTHERN R. R.

See Table, page 174.

The majority, or \$3,579,737, of the stock of this company is owned by the Denver & Rio Grande R. R., which guarantees \$2,277,000 (more than half) of the company's 4% bonds. On June 30, 1916, \$1,004,366 bonds of this company were held in the treasury of the Denver & Rio Grande R. R.

This is a narrow-gauge road.

On June 30, 1916, Current Assets, including \$23,544 material supplies, were \$138,573, and Current Liabilities were \$409,283. There was a debit balance to Profit and Loss of \$216,067.

The company's property sustained heavy damages in 1911-12 on account of floods. Operations were suspended over large portions of the main line for over three months, causing a considerable loss in operating revenues. During 1911-12 and 1912-13, \$207,000 was expended in the work of restoration.

Products of Mines contributed 71.3% of total tonnage handled in 1914-15 (66%, 1913-14).

ST. JOSEPH & GRAND ISLAND RY.

See Table, page 175.

The first preferred stock is entitled to non-cumulative dividends of 5% per annum. The second preferred is entitled to non-cumulative dividends of 4% per annum.

The first preferred received 5% in 1898, 1901 and 1902, and 3% in 1899 and 1900. Dividends were passed in 1903.

STOCK OWNERSHIP BY UNION PACIFIC R. R.

On June 30, 1916, the Union Pacific R. R. owned stock of this company as follows: First preferred, \$4,558,850; second preferred, \$3,309,079, and common, \$4,558,850.

The annual reports for 1909-10 to 1915-16 inclusive, stated that there was expended during these years account of improvements mentioned in previous reports the aggregate sum of \$842,060, of which \$291,096 was charged to Operating Expenses and the balance, \$550,964 was charged to Additions and Betterments.

As of June 30, 1916, there remained to be expended \$1,305,755 for account of the necessary improvements including approximately \$500,000 for a new bridge across the Missouri River.

"With the exception," the report (1909-10) stated, "of bonds to the amount of \$1,000,000, to be issued for the construction of additional lines of railroad at not to exceed \$6,000 per mile, the company has issued all the bonds which it is authorized to issue under the existing mortgage. All expenditures and betterments have, therefore, to be supplied from the future net earnings of the company."

The report for 1910-11 stated that in addition to the necessary improvements an extension from Hastings, Neb., to a point on the

Union Pacific R. R. (about 26 miles) should be built. The \$1,000,000 bonds issuable at \$6,000 per mile for new line would not, the report stated, suffice at present prices to pay for the cost of rails, ties and fastenings. No reference was made in either annual report as to whether or not it was practicable or feasible to authorize a new mortgage.

It was stated in 1912, that a new mortgage to cover \$15,000,000 bonds would be authorized. An injunction was later filed by the Minority Stockholders preventing the issuance of these bonds.

GENERAL.

During recent years a large number of freight train cars have either been dismantled or converted into service cars. As of June 30, 1916, there were 531 freight cars in the Company's service as compared with 682 June 30, 1913, 1,010 June 30, 1909, and 1,060 on June 30, 1906. The Company has no equipment obligations outstanding.

On June 30, 1916, Current Assets, including \$274,767 material, fuel and supplies, were \$559,579, and Current Liabilities were \$657,457.

SUIT INSTITUTED BY MINORITY STOCKHOLDERS.

A suit was instituted several years ago in behalf of the minority preferred stockholders demanding an accounting from the Union Pacific R. R. of all moneys theretofore expended either out of surplus or current earnings of the St. Joseph & Grand Island Ry., and asking for an injunction restraining it from using further funds of the company and asking the appointment of a Receiver. This litigation was discontinued in 1915-16, after having progressed through various Courts. The results of the suit were as follows:

The bill of complaint alleged that for the purpose of developing the 118 miles of the St. Joseph & Grand Island Ry. tracks between Upland and Hastings, Neb., as a part of the Union Pacific R. R. main line from Kansas City to the West, the Union Pacific has partially completed a costly reproduction of that part of the St. Joseph & Grand Island Ry. The cost of the work, it was stated, absorbed most of the accumulated surplus and a large part of the earnings of the road, the remainder of the tracks being neglected, necessary improvements omitted, rolling stock and equipment being allowed to fall into disrepair, and the acquisition of new equipment delayed and neglected. Nothing in the nature of the company's business on this 118 miles, it was said, justified this standard of construction.

On July 9, 1915, the Circuit Court of Appeals rendered a decision reversing the decree of the District Court. The Circuit Court of Appeals held (1) that the District Court (which had previously rendered an adverse decision) erred in decreeing that the

control of this Company by the Union Pacific R. R. through stock ownership was in violation of the Sherman Anti-trust Act, and (2) that the Union Pacific R. R. had not abused its power as majority stockholder, the evidence disclosing that the management, so far as income results were concerned, had improved after that company acquired its stockholding, and it being considered by the Court that the expenditure of income in improvements of certain portions of the road, which was criticized by plaintiffs, was justified and necessary for the proper handling of the traffic which it was designed to accommodate, but (3) that this Company should be enjoined while controlled by the Union Pacific R. R. from purchasing the cut-off between Hastings and Gibbon, Neb., a purchase not immediately contemplated but which had been considered as a possibility in the future in the event of an improved financial condition of the Company.

ST. LOUIS & SAN FRANCISCO R. R.

See Table, page 176.

On May 27, 1913, Receivers were appointed for the St. Louis and San Francisco R. R., also for the Chicago & Eastern Illinois R. R. (which see). The St. Louis & San Francisco R. R. defaulted its guaranteed dividends on the "Frisco" C. & E. I. R R. preferred and common stock certificates (see below). The "Frisco" also defaulted principal and interest on the \$2,250,000 5% Notes which matured June 1, 1913; and on the 6% Notes due September 1, 1914. Interest was also defaulted on the New Orleans, Texas & Mexico Division $4\frac{1}{2}\%$ and 5% bonds, \$28,582,930 outstanding, Receivers having been appointed for the N. O., T. & M. R. R. (which see). Interest was defaulted likewise on the General Lien Mortgage 5% bonds, the Refunding Mortgage bonds, although interest on the latter issue was advanced by the Protective Committee, and on the \$2,880,000 5% bonds of the Ozark & Cherokee Central Ry. which matured October 1, 1913 (extended for two years at 5% per annum plus \$10,000 a month for improvements to be paid by the "Frisco" during said period).

Dividends on the first and second preferred stocks were limited to 4% per annum. Dividends were paid on the second preferred stock from 1897 to 1905, although not always at the full rate. First preferred dividends were paid until August, 1913 (none since).

HISTORY.

In 1900-1, the principal lines of the Kansas City, Fort Scott & Memphis R. R. were conveyed to the Kansas City, Fort Scott & Memphis Ry. The purchasing company issued \$13,510,000 non-cumulative preferred stock and \$11,650,000 4% Refunding bonds. The system so acquired was leased to the "Frisco." The preferred

stock of the lessor was deposited against trust certificates, entitling the holder to the payment by the "Frisco" of dividends at the rate of 4% per annum, and redeemable and payable by that company at par within twenty years. (See Reorganization Plan of Company.) The "Frisco" also guarantees the principal and interest of the Refunding bonds. These leased lines are now operated as part of the "Frisco" System, and all interest is included in the System's Fixed Charges. On June 30, 1916, \$25,941,000 Refunding bonds of the Railway were outstanding.

In 1902, control of the Chicago & Eastern Illinois R. R. was acquired, the "Frisco" giving in exchange its stock trust certificates (defaulted July, 1913). All the common stock and a large majority of the preferred stock was thus exchanged. Following the Receivership holders of \$300,000 preferred stock certificates, exchanged same for the original preferred stock. See Chicago & Eastern Illinois R. R.

FINANCIAL.

For the purpose of unifying the company's bonded debt and to provide for improvements, etc., the company executed a mortgage (1901), to secure an issue of Refunding 4% bonds to the amount of \$85,000,000, of which \$59,000,000 were reserved to retire underlying bonds. Total Refunding bonds outstanding on June 30, 1916, were \$68,562,000, issued as follows: about \$45,610,000 to retire underlying bonds; the balance for improvements, additions, extensions, etc.

The July, 1914, and subsequent coupons were not paid by the Receiver. However, the Committee formed in the interest of the bondholders advanced the necessary interest when desired.

The capitalization of the "Frisco" June 30, 1916 (prior to Reorganization) as compared with June 30, 1901, was as follows:

	1916	1901
Stock	\$50,000,000	\$50,000,000
Bonds & Gtd. Certificates	*261,253,761	46,471,125
Miles operated	5,255	1,687
Gross	48,403,390	10,173,697
Surplus	1,481,090	1,809,856

*Excludes N. O., T. & M. R. R. Total bonds and Gtd. Certificates, June 30, 1915, \$289,855,579.

There were outstanding on June 30, 1916, Equipment Trust Notes and bonds to an aggregate amount of \$3,957,618 (not including \$3,296,000 Frisco Construction Co. Equipment Notes guaranteed by the Frisco). These obligations mature prior to October 1, 1923. (See Reorganization Plan.)

GENERAL LIEN BONDS.

There was authorized in 1907 \$109,850,400 General Lien 15-20-year bonds bearing interest at 5%. Under this mortgage \$68,515,400 bonds were reserved for refunding purposes.

In 1908, \$30,000,000 of these bonds were sold to Speyer & Co. Additional bonds were sold in each of the subsequent fiscal years to and including 1912-13, so that on June 30, 1916, the total amount outstanding was \$69,384,216. The bonds sold in 1912-13 were largely sold in Paris, less than two months prior to the appointment of Receivers. The November, 1913, coupon was paid by the Receivers. No subsequent coupons were paid.

NEW ORLEANS, TEXAS & MEXICO R. R. LINES.

There were authorized in 1910, \$50,000,000 New Orleans, Texas & Mexico Division First Mortgage Gold bonds (interest not to exceed 5% per annum). Of these bonds, \$28,582,930 were issued, bearing interest at 5% and 4½%. These bonds were secured by a first mortgage executed by the New Orleans, Texas & Mexico R. R. to reimburse the Frisco for advances made by it for construction, acquisitions, etc.

The interest on this new issue of bonds, which was payable by the New Orleans, Texas & Mexico R. R., was defaulted September 1, 1913. Receivers were appointed for the New Orleans, Texas & Mexico R. R. (which see).

GENERAL.

Jointly with the Southern Ry., the "Frisco" guaranteed principal and interest, \$14,000,000 4% bonds of the New Orleans Terminal Co. In July, 1913, the "Frisco" defaulted interest payment of one-half of the amount then due. In 1914, the Court held that the "Frisco" had forfeited its half share in the property (see under Reorganization Plan below.)

In 1903 and later, the Chicago, Rock Island & Pacific R. R. acquired \$28,940,300 of "Frisco" common stock, the latter receiving in exchange per \$100, \$60 in common stock of the Rock Island Co., and \$60 in 5% bonds of 1913 of the Chicago, Rock Island & Pacific R. R. In 1909, the "Rock Island" sold its holdings in "Frisco" stock and the bonds above mentioned were called for redemption in 1910. (See C. R. I. & P. Ry.)

On June 30, 1916, Current Assets (including \$5,497,188 cash and \$4,451,956 supplies on hand) were \$18,321,637, and Current Liabilities \$18,012,178 Matured Interest Unpaid) were \$33,427,281.

Unextinguished discount on Funded Debt June 30, 1916, carried among the assets was \$8,567,977. The debit balance to Profit and Loss was \$4,555,407.

PLAN OF REORGANIZATION.

Under date of November 1, 1915, a Plan of Reorganization was announced. This Plan, with a few minor changes will likely be adopted. A new company has been formed which authorized the following securities:

(1) Prior Lien Mortgage Gold Bonds, \$250,000,000, to bear interest not to exceed 6% per annum. \$93,398,500 are to be issued

in partial exchange for existing securities of the Frisco; \$31,811,500 are to be sold to a syndicate or are to be used for corporate purposes, and the balance reserved for refunding bonds, for betterments, and new equipment and for corporate purposes. \$93,398,500 of the bonds to be issued immediately will bear interest at 4% per annum and \$31,811,500 will bear interest at 5% per annum. The bonds mature in 1950. The 4% bonds, Series "A," issued in exchange for existing "Frisco" securities, will bear interest from July 1, 1915; those issued in exchange for K. C., Ft. S. & M. preferred certificates, will bear interest from July 1, 1916. The 5% bonds issued to the former "Frisco" stockholders will carry interest from January 1, 1916.

(2) Cumulative Adjustment Mortgage bonds due 1955 (limited to \$75,000,000). \$40,547,818 bonds bearing interest at 6% per annum cumulative from July 1, 1915, were issued under Plan. These bonds are subject to the Prior Lien bonds.

(3) Income Mortgage 6% Gold Bonds due 1960 (authorized issue \$75,000,000). These bonds will be subject to issues (1) and (2) as above. \$35,192,000 5% bonds, maturing 1960, were issued under the Plan.

(4) Preferred stock non-cumulative \$7,000,000 (6%, callable at par) to be issued under Plan. Total authorized issue \$200,000,000.

(5) Common stock \$250,000,000 authorized; \$48,480,000 used as per Plan.

Each \$1,000 face value of existing securities will receive:

	Assessment Paid	Cash	Prior Lien Bonds "A" 4%	Prior Lien Bonds "B" 5%	Cumulative Adj. Bonds 6%	Income Bonds 6%	Common Stock
Refunding Mtg. 4%.....	.....	*	\$750	.....	\$250.00	.....	.....
General Lien 15-20 yr. 5%.....	.....	†	250	.....	283.33	\$500	.....
K. C. Ft. S. & M. Pfd. Cts....	.....	.....	750	.....	250.00	.....	.....
Ozark & Cher. Cent. Ry. 5%.....	.....	\$17.50	**1250	.....	.....	.....	.....
General Mtg. 6%, 1931.....	.....	125.00	1250	.....	.....	.....	.....
General Mtg. 5%, 1931.....	.....	62.50	1250	.....	.....	.....	.....
1st Pfd. stock.....	\$500	.....	.....	\$500	.....	.....	\$1000
2d Pfd. stock.....	500	.....	.....	500	.....	.....	900
Common Stock.....	500	.....	.....	500	.....	.....	820

*The Refunding Mortgage bondholders received cash for coupons due July 1, 1914, January 1, 1915 and July 1, 1915, with interest at 6% per annum from date of maturity of each coupon.

†General Lien bondholders receive cash for May and November, 1914, coupons with interest at 6% from maturity.

**The Reorganization Managers may substitute \$200 cash for \$250 of the Prior Lien bonds.

‡Holders of the three classes of stock as above paid \$5 per share when depositing their stock, and at a later date to be announced,

the sum of \$45 per share for which they will either receive Prior Lien "B" 5% bonds as above to an amount equal to the assessment (\$50) or cash at 85% flat in lieu of bonds or part cash at 85% and part bonds.

Under the Plan Prior Lien bonds and cash will be offered in exchange for the various underlying bonds of the "Frisco."

The \$28,582,000 New Orleans, Texas & Mexico Division 4½% and 5% bonds have, as stated in a previous paragraph, become the obligation of the N. O., T. & M. R. R. (See that company.) The Reorganization Managers of the "Frisco" have agreed to deliver to the holders of the N. O., T. & M. R. R. bonds upon cancellation of all agreements between the two companies, the following: \$500,000 in cash, \$500,000 in 6% Income Bonds and \$636,800 in preferred stock, also to deliver to the N. O., T. & M. R. R. certain securities.

Holders of "Frisco" C. & E. I. R. R. Certificates (\$12,153,750 preferred and \$16,944,500 common) will receive the stock deposited as collateral for the certificates. In addition holders of the preferred certificates will receive \$18 in "Frisco" new preferred stock and \$2.50 in common stock. The holders of common certificates will receive \$30 in new "Frisco" 6% preferred stock and \$4.25 in new common stock.

The New Orleans Terminal Co. has agreed to relieve the "Frisco" from its one-half guaranty of the property. Under this agreement the Terminal Co. will receive \$116,000 cash and \$650,000 6% Preferred Stock of the "Frisco."

ST. LOUIS SOUTHWESTERN RY.

See Table, page 177.

The preferred stock is entitled to 5% non-cumulative dividends. An initial dividend of 2% was paid in July, 1909. In 1910, 5% was paid. In January, 1911, the semi-annual dividend was reduced to 2%, which amount was paid in July, 1911, and in January, 1912. Beginning July, 1912, the rate was raised to 5% per annum, paid quarterly; in October the quarterly dividend was reduced from 1¼% to 1%. In January, 1914, 1% was paid; in April, 1914, ½% was paid; no subsequent payments have been made.

The Income bonds are limited to non-cumulative interest of 4% per annum. Interest is paid semi-annually in January and July.

To June 30, 1916, \$6,957,500 of the \$10,000,000 Income bonds had been exchanged at the rate of 90% of their par value for new First Consolidated Mortgage 4% bonds. In addition to the \$6,260,450 First Consolidated bonds issued for the Income bonds as described, \$16,001,300 of this issue had been sold to June 30, 1916, for cash to acquire Equipment Trust Obligations, to purchase new equipment and for other purposes.

On June 30, 1916, the amount of Equipment Notes outstanding was \$2,380,000. In addition to this amount the company had acquired from the proceeds of the sale of First Consolidated bonds,

\$5,546,833. The Notes acquired are kept alive as security for the First Consolidated Mortgage bonds.

\$100,000,000 First Terminal and Unifying 5% bonds due 1952 were authorized in 1912. \$8,155,000 of these bonds were sold prior to June 30, 1916, \$3,000,000 bonds were in the company's treasury on that date, and \$1,114,000 were pledged. Profit and Loss was charged in 1911-12 and 1912-13, \$1,233,965, and \$220,110 respectively for Extinguishment of Discount on bonds sold.

Main track (not including trackage) included, June 30, 1916:

9 miles of 85-pound steel,	44 miles of 60-pound steel,
1,045 miles of 75-pound steel,	383 miles of 56-pound steel.
31 miles of 70-pound steel.	

The balance sheet of June 30, 1916, showed Current Assets, \$3,547,478 (of which \$1,477,715 were supplies), and Current Liabilities amounting to \$3,233,140.

The St. Louis Southwestern Ry. guarantees both as to principal and interest, the Shreveport Bridge & Terminal Co. First Mortgage 5% bonds (\$450,000) due 1955, and the Gray's Point Terminal Ry. 5% bonds (\$1,343,000 issued, \$843,000 owned by St. Louis Southwestern Ry.) The property of this company is leased by the St. Louis Southwestern Ry. for 50 years from 1906.

In 1910, the Stephenville, North & South Texas R. R. was acquired. This company operates 106 miles. \$2,607,000 5% bonds due 1940 were outstanding June 30, 1916, guaranteed principal and interest, by the St. Louis Southwestern Ry. \$184,000 additional of the bonds were owned by the latter company.

The St. Louis Southwestern Ry. has leased for 30 years from July 1, 1910, with privilege of purchase on payment of bonds, the Central Arkansas & Eastern R. R. (about 45 miles operated on June 30, 1916). \$1,085,000 5% bonds due July 1, 1940, have been sold, guaranteed by the St. Louis Southwestern Ry.

In July, 1916, a bridge over the Mississippi River at Memphis, Tenn., was completed. This is operated by the Arkansas & Memphis Ry. Bridge & Terminal Co., the stock of which is owned jointly by the St. Louis Southwestern Ry., the "Iron Mountain" and the "Rock Island" which three companies guarantee \$6,000,000 First Mortgage Bonds.

The total amount of bonds guaranteed by the St. Louis Southwestern Ry. on June 30, 1916, was \$10,621,192.

Of the mileage operated during 1915-16, 241 miles were used jointly with other railroads. This mileage represents the company's entire mileage east of the Mississippi River, together with the line from Brinkley, Ark., to Memphis, Tenn., which latter line is used jointly with the "Rock Island."

In 1915-16, Products of Forest contributed 37% of the total tonnage carried. 52% of the total tonnage originated on the lines of the company.

SAN ANTONIO & ARANSAS PASS RY.

See Table, page 178.

This company operates 724 miles of railway located wholly in the State of Texas, the main lines extend from San Antonio to Houston (238 miles), and from Yoakum to Waco (171 miles). There are also several branches.

This railway was formerly managed by the Southern Pacific Co. but separation of the lines was ordered by the Texas Railway Commission in 1903-4. The \$17,544,000 First Mortgage bonds due January 1, 1943, are guaranteed as to principal and interest by the Southern Pacific Co. Among capital obligations were also \$8,101,202 Miscellaneous Obligations (Notes and 4% Income Bonds). As of June 30, 1916, the Southern Pacific Co. held \$404,000 of these bonds, \$3,905,842 of the Notes and \$3,898,000 Income Bonds.

As of June 30, 1916, Current Assets amounted to \$709,104 as compared with \$1,065,078 Current Liabilities. There was a debit balance to Profit and Loss of \$4,491,697.

As of June 30, 1916, main track contained:

324 miles of 70-pound rail, 400 miles of 50-pound rail.

TEXAS & PACIFIC RY.

See Table, page 179.

On October 27, 1916, J. L. Lancaster and Pearl Wight were appointed Receivers for the Texas & Pacific Ry. It is stated that a Plan of Readjustment will be announced shortly.

This company operates under a Federal charter.

The Income bonds are entitled to and are limited to 5% per annum. Interest of 4% was paid in 1901; thereafter 5% was paid each year to and including 1907. In 1908, 3½% was paid. No further payments have been made. The St. Louis, Iron Mountain & Southern Ry. (Missouri Pacific System) owned on June 30, 1916, \$23,703,250 Income bonds of this company. See under Missouri Pacific Ry. for terms under which these bonds were acquired.

The Missouri Pacific Ry. owned on June 30, 1916, \$6,555,000 of Texas & Pacific Ry. stock.

The following amounts have been appropriated for Improvement and Equipment Accounts, for new equipment, buildings, etc.:

Year 1905.....	\$1,128,118	Year 1911.....	\$1,219,637
Year 1906.....	1,518,575	Year 1911-12.....	1,349,047
Year 1907.....	2,226,736	Year 1912-13.....	1,352,185
Year 1908.....	905,588	Year 1913-14.....	1,108,069
Year 1909.....	1,020,588	Year 1914-15.....	744,774
Year 1910.....	1,220,600	Year 1915-16.....	1,125,713

Current Assets on June 30, 1916 (including \$1,426,606 materials on hand), were \$3,665,250, and Current Liabilities were \$6,414,099, the latter including \$3,561,380 of Bills Payable.

In 1913, the Trans-Mississippi Terminal R. R. authorized an issue of \$10,000,000 30-year 5% bonds due 1944 to provide funds for the enlargement of terminals at New Orleans. These bonds, \$7,500,000 authorized; \$6,071,000 outstanding are guaranteed principal and interest by the St. Louis, Iron Mountain & Pacific Ry. and the Texas & Pacific Ry. The Texas & Pacific Ry. carried among its Assets, June 30, 1916, \$1,477,086 Notes of and \$257,822 advances to the Trans-Mississippi Terminal R. R.

WESTERN PACIFIC R. R. CORPORATION.

See Table, page 180.

This Company is a Holding Company for the Western Pacific R. R. which succeeded the Western Pacific Ry., sold under foreclosure June 28, 1916. The former company was controlled by the Denver & Rio Grande R. R., which company guaranteed the interest on \$50,000,000 First Mortgage 5% bonds of the Western Pacific Ry. The Denver & Rio Grande R. R. and its subsidiary, the Utah Fuel Co. owned \$25,000,000 Second Mortgage bonds, \$26,800,000 Promissory Notes, and other claims, and \$62,500,000 stock of the Western Pacific Ry. These securities did not participate in the reorganization. The new company, it is said, proposes to enforce the claim of the old Company against the Denver & Rio Grande R. R. The president of the latter Company states in the report for 1915-16: "It is possible that by negotiations later on a mutually advantageous readjustment of financial relationship between the Western Pacific interests and your Company will be accomplished." (See Notes, Denver & Rio Grande R. R.).

The line of the Western Pacific Ry. (commenced 1904) was placed on an operating basis July 1, 1911, although not then fully completed. The Western Pacific Ry. acquired large terminals and waterfront properties in Oakland, Cal., and San Francisco, Cal., and the line passes through Stockton, Sacramento, Oroville and other important cities.

The actual amount expended by the Western Pacific Ry. to June 30, 1915, was approximately \$77,800,000; including interest on First Mortgage bonds, the amount expended was \$84,242,174. Funds were provided as follows, viz.: \$46,243,120 were by proceeds of sale of the Company's First Mortgage 5% 30-year bonds; \$18,802,905 were proceeds, with interest, of \$25,000,000 Second Mortgage 5% bonds sold to Denver & Rio Grande R. R.; moneys borrowed, \$16,408,650; income during construction period, \$754,353; interest on Trust Funds deposited during construction, \$1,870,146.

On March 5, 1915, Receivers were appointed for the Western Pacific Ry., the interest due March 1 having been defaulted. Said interest was not earned and the Denver & Rio Grande R. R. was unable to advance the necessary amount.

In December, 1915, a Plan of Reorganization was announced. This Plan called for: (1) the elimination by foreclosure of the \$25,000,000 Second Mortgage 5% bonds, the \$26,800,000 claims and unsecured debt owned by the Denver & Rio Grande R. R., and its subsidiary, the Utah Fuel Co. and the \$75,000,000 stock: (2) the payment of Receivers' Obligations and claims totalling slightly in excess of \$663,626; and (3) the retirement of the existing \$50,000,000 First Mortgage bonds (also \$3,750,000 unpaid interest), and for the issuance of new securities.

The estimated cash requirements of the new company total \$18,600,000. This includes \$600,000 cash on hand and \$18,000,000 realized from the sale of \$20,000,000 new 5% bonds (\$50,000,000 authorized), due March 1, 1946 (see following).

Under the terms of the Plan, holders of the defaulted Western Pacific Ry. bonds, upon agreement to transfer to the new company their claim against the Denver & Rio Grande R. R. for interest guarantees, will participate in the Reorganization under the following conditions: (1) by payment of \$360 cash per \$1000 bond and accrued interest on new bonds for which bondholders will receive \$400 in the new 5% bonds, \$550 in new 6% non-cumulative preferred stock and \$950 in new common stock; (2) by depositing bond and making no payment, the holder of each \$1000 bond will receive \$500 in new preferred stock and \$750 in new common stock. The total amount of preferred and common stock issued as per plan is \$27,500,000 and \$47,500,000 respectively.

It is proposed to construct a number of branch lines and extensions.

GREAT NORTHERN RY.

See Table, page 181.

Dividends are being paid at the rate of 7% per annum, quarterly beginning February.

The following sums have been transferred from surplus earnings to Fund for Permanent Improvements and Renewals:

Year 1904-5.....	\$3,000,000	Year 1910-11.....	\$2,818,338
Year 1905-6.....	5,130,910	Year 1911-12.....	3,502,000
Year 1906-7.....	4,934,976	Year 1912-13.....	4,250,000
Year 1907-8.....	2,468,832	Year 1913-14.....	1,000,000
Year 1908-9.....	2,789,961	Year 1914-15.....	1,000,000
Year 1909-10.....	2,319,158	Year 1915-16.....	3,500,000

The unexpended balance of the Fund for Permanent Improvements and Betterments was on June 30, 1916, \$7,671,419, and the amounts set aside for Depreciation of Equipment then in service showed a credit of \$27,037,847.

The Oregon Short Line R. R. (Union Pacific System) sold in 1908-9 the remaining balance (\$3,578,600) of stock owned of the

Great Northern Ry. On June 30, 1905, the former owned the equivalent of \$22,503,297 capital stock of the Great Northern Ry.

To June 30, 1916, the Great Northern Ry. and Northern Pacific Ry. had acquired \$107,613,500 (being 97% of the total authorized issue) of the Chicago, Burlington & Quincy R. R. stock in exchange for their joint 20-year 4% bonds, secured by deposit of the stock in trust, on the basis of \$200 in bonds for each \$100 stock.

STOCK ISSUED.

Since January, 1900, new stock has been sold to stockholders at par as follows:

1900	To	stockholders	at	par.....	\$9,000,000
1901	"	"	"	"	25,000,000
1905-6	"	"	"	"	25,000,000
1906-7	"	"	"	"	60,000,000
1912-13	"	"	"	"	21,000,000
1914-15	"	"	"	"	18,478,472

\$158,478,472

The sale of this \$158,478,472 stock since January, 1900, explains largely the increase in outstanding stock from \$89,226,610 June 30, 1899 to \$249,476,850. June 30, 1916, the \$1,771,768 stock issued during the above period which was not sold at par, was largely exchanged for stock of the St. Paul, Minneapolis & Manitoba Ry. or was issued to acquire other securities.

IRON ORE PROPERTIES.

In the year 1906, the Great Northern Ry. Iron Ore Properties were leased by companies controlled by the United States Steel Corporation. The price to be paid for the ore was \$1.65 per ton, delivered at the upper lake docks, with an increase of 3.4 cents per ton each succeeding year. The minimum agreed to be mined was 750,000 tons for the year 1907, to be increased by 750,000 tons per year until 8,250,000 tons were mined. The lease was made perpetual until the ore should be exhausted, except that, the Steel Corporation was given the right to terminate the lease on January 1, 1915. The Steel Corporation having voted to surrender the lease, notice was given that the lease would be cancelled on January 1, 1915.

In 1906, the stockholders of the Great Northern Ry. received, unit for unit, certificates of interest in the company's ore properties, and accordingly the ore certificates (1,500,000 shares) were distributed to the stockholders of the Great Northern Ry.

In 1907, a first dividend of \$1.00 was paid on the ore certificates; in 1908, and in 1909, dividends of \$1.00 each were paid. In March, 1910, September, 1910, December, 1910, March, 1911, December, 1912, November, 1913, December, 1914, December, 1915, June and December, 1916, dividends of 50 cents each were paid.

To December 31, 1916, dividends aggregating \$12,000,000 had been paid on the certificates.

According to estimates made as of January 1, 1912, there were at that date contained in the various properties, 430,021,773 tons of iron ore in lands aggregating 65,091 acres.

SPOKANE, PORTLAND & SEATTLE RY.

The Great Northern Ry. jointly with the Northern Pacific Ry. controls the Spokane, Portland & Seattle Ry. This line, largely completed, extends from Portland, Ore., to Spokane, Wash. (total, with branch, June 30, 1916, 555 miles), and affords a through line between these points. The Great Northern Ry. and the Northern Pacific Ry. had advanced large amounts towards the construction of this line. In payment for these advances, the Spokane, Portland & Seattle Ry. has delivered to the two parent companies jointly, but for equal division among them, \$40,000,000 stock, also approximately \$73,710,000 First Mortgage 4% Fifty-year Gold bonds, dated March 1, 1911. The bonds bear the joint guaranty of the two parent companies. The bonds had not been sold to December 31, 1916, approximately \$36,855,000 being held on that date by or in the interest of each of the parent companies. (See Northern Pacific Ry.).

DISPOSITION OF PROCEEDS OF CAPITAL STOCK ISSUED.

The company's reports for past years have stated the purposes for which stock issues have been made and have listed the securities acquired in exchange for the company's capital stock or purchased with proceeds of stock issued for cash. The larger portion of these securities were used in part payment for the railways, equipment and other property purchased and a general statement of the disposition of the amount realized by the company from the total share capital issued to June 30, 1906, was given in previous editions of this book (see 1916 edition, page 450). (In addition \$21,000,000 stock was offered for subscription in 1912-13, and \$18,478,472 was sold in 1914-15.

BONDS ISSUED DURING RECENT YEARS.

The amount of bonds outstanding in the hands of the public on June 30, 1916 (\$143,275,758) was \$45,319,818 greater than on June 30, 1908. The net increase 1910-11 was \$34,946,000 bonds; there was a net decrease of \$574,000, \$102,000, \$177,000, \$87,000 and \$116,152 bonds in 1911-12, 1912-13, 1913-14, 1914-15 and 1915-16, respectively.

FIRST AND REFUNDING MORTGAGE.

As of May 1, 1911, the Great Northern Ry. executed a mortgage to secure an issue of not to exceed \$600,000,000 First and Refunding Mortgage gold bonds, maturing July 1, 1961, and bearing interest payable January 1 and July 1, at not exceeding 5% per annum.

By the terms of the First and Refunding Gold Bond Mortgage, prior mortgages become closed and no additional bonds may be issued thereunder.

The \$600,000,000, face value, of First and Refunding Mortgage bonds provided for by the new mortgage were issuable:

\$332,162,000 for refunding prior mortgage bonds and Northern Pacific-Great Northern C. B. & Q. Collateral 4% Joint bonds;

\$100,000,000 at a rate not exceeding \$3,000,000 per annum, for construction or acquisition of railways and equipment, and for additions, betterments, etc.;

\$92,838,000 to cover cost of acquisition of bonds and stock of other companies;

\$30,000,000 to cover cost of property for the acquisition of which bonds are not otherwise authorized in the mortgage.

\$45,000,000 were issued as 4¼% bonds, upon the execution and delivery of the mortgage. Of this last named amount \$35,495,000 have been sold mostly during 1910-11. In addition there were held in the treasury on June 30, 1916, bonds of this issue \$37,482,152.

ASSETS AND LIABILITIES.

The credit balance to Profit and Loss on June 30, 1916, was \$52,188,779, and there had been expended from the Fund for Permanent Improvements and Betterments \$36,737,198. Current Assets on that date were \$40,691,747 (including material and supplies on hand to the amount of \$6,685,663, but not including securities owned; Current and Accrued Liabilities were \$9,771,088. Securities owned (including C. B. & Q. R. R. stock) were valued at \$221,665,773; there were not included in this total, securities carried in the Property Account as investments. Miscellaneous Investments and Advances amounted to \$13,130,765. Unexpended balances (credits) in Sundry Funds amounted to \$38,520,360, including \$7,671,419 Fund for Permanent Improvements and Betterments and \$27,037,847 set aside for Depreciation of Equipment.

RAIL STATEMENT, ETC.

On June 30, 1916, weight of rail in main track (7,814 miles) was as follows:

2,312 miles of	90-pound rail,	25 miles of	72-pound rail,
564 miles of	85-pound rail	225 miles of	70-pound rail,
423 miles of	80-pound rail.	651 miles of	68-pound rail,
826 miles of	77½-pound rail,	102 miles of	66½-pound rail,
570 miles of	75-pound rail,	922 miles of	60-pound rail,
	1,194 miles of		56-pound rail.

On June 30, 1916, there were 1,294 locomotives in service, against 707 on June 30, 1905. Freight cars during the same period increased from 31,277 to 57,759. There was also a large increase in passenger equipment.

MINNEAPOLIS & ST. LOUIS R. R.

See Table, page 182.

The preferred stock has a prior right to 5% non-cumulative dividends, and after the common has received 5%, shares with it pro rata in further dividends. Dividends were paid (semi-annually) on the preferred to and including January, 1910. The July, 1910, dividend was passed. Prior to 1904, dividends had been paid for several years on the common stock at the rate of 5%

MERGER.

The Minneapolis & St. Louis R. R., in 1911, acquired the Iowa Central Ry. The Plan provided for the sale of the property of the Iowa Central Ry. to the Minneapolis & St. Louis R. R., and for the payment by the former company to the latter company of \$2,500,000 in consideration of the delivery by the latter company of \$1,917,500 of its preferred stock, \$9,370,200 of its common stock, and \$2,500,000 of its Refunding and Extension Mortgage 5% bonds, due February 1, 1962. Said bonds are a part of an authorized issue of \$75,000,000 and are secured by mortgage upon the two railroads, subject to existing liens thereon, also a first lien upon the line Watertown to Leola S. D. and Conde to Le Beau S. D. (230 miles). The mortgage will also be a first lien upon contemplated extensions of the Minneapolis & St. Louis R. R. The issue of the \$2,500,000 of bonds above referred to, did not increase the indebtedness of the companies, as the proceeds were used to take up maturing obligations.

The securities received by the Iowa Central Ry. were distributed upon the following basis:

\$100 of the preferred stock and \$900 of the common stock of the Minneapolis & St. Louis R. R. exchanged for each \$1,000 of the preferred stock of the Iowa Central Ry., and \$100 of the common stock of the Minneapolis & St. Louis R. R. exchanged for \$200 of the common stock of the Iowa Central Ry.

The Refunding and Extension Mortgage bonds above referred to, were offered for subscription to stockholders of the two companies to the extent of 10% of the stock held by them, respectively, together with preferred stock of the Minneapolis & St. Louis R. R. at a price of \$1,000 for each \$1,000 Refunding and Extension Mortgage bond and \$500 preferred stock.

The merger of the two companies increased the mileage of the Minneapolis & St. Louis R. R. to 1,586 miles.

The Income Account of the Iowa Central Ry. for a series of years follows:

Avg. Miles				Avg. Miles			
Year	Oper.	Gross	Surplus	Year	Oper.	Gross	Surplus
1907-8	558	\$3,002,475	\$215,199	1909-10	558	\$3,361,282	def. \$26,664
1908-9	558	3,015,647	def. 227,521	1910-11	559	3,511,537	def. 16,028

The Minneapolis & St. Louis R. R. earnings for a similar period were as follows:

Year	Avg. Miles		Surplus	Year	Avg. Miles		Surplus
	Oper.	Gross			Oper.	Gross	
1907-8	1,005	\$3,826,516	\$108,980	1909-10	1,027	\$4,945,391	\$77,937
1908-9	1,027	4,171,315	def. 96,959	1910-11	1,027	5,094,017	75,884

GENERAL.

Of the Refunding and Extension Mortgage bonds referred to above, there had been issued to June 30, 1916, \$11,620,000, of which \$6,985,000 were pledged and \$549,194 bonds were in the treasury. Of the First and Refunding 4% bonds (dated 1899, due 1949), \$13,244,000 had been issued.

Main track contained June 30, 1916:

142 miles of 85-pound steel,	33 miles of 66-pound steel,
315 miles of 80-pound steel,	244 miles of 60-pound steel,
685 miles of 70-pound-steel,	129 miles of lighter weights.

ACQUISITIONS AND EXTENSIONS.

In 1904, the Minneapolis & St. Louis R. R. acquired the controlling interest in the Des Moines & Fort Dodge R. R. (156 miles operated) through the purchase of a majority of the common stock of that company. The \$3,072,000 4% First Mortgage bonds of the Des Moines & Fort Dodge R. R. are guaranteed, principal and interest, and have been assumed by the Minneapolis & St. Louis R. R.

To aid in the construction of a 230 mile extension westward from Watertown, S. D., the Minneapolis & St. Louis R. R. issued in 1906, \$5,000,000 5% Notes. \$1,000,000 of these Notes were paid off at maturity, 1911, and the balance (\$4,000,000) extended to 1913. The sum of \$25 per \$1,000 Note was paid to those whose Notes were extended. \$1,000,000 of these Notes were paid off at maturity. The balance (\$3,000,000) were extended to February, 1914, at 6% plus the sum of \$15 per \$1,000 Note. \$500,000 of the \$3,000,000 One-year Notes, which matured February, 1914, were paid off and the balance \$2,500,000 were extended to February, 1916. \$25 per \$1,000 Note was paid to the holders who desired to have the Notes extended. At maturity these notes were extended at 6% to August 1, 1916, on which date they were retired.

It is proposed to extend the Minneapolis & St. Louis R. R. from Watertown, S. D., to the Canadian border (about 235 miles) where connections will be afforded with the Grand Trunk Pacific Ry. and with the Canadian Northern Ry. The Minneapolis, St. Louis & Canadian Ry. was incorporated in July, 1912, with \$7,000,000 stock to construct this extension.

Including \$486,577 material and supplies, the Working Assets on June 30, 1916, were \$1,857,851, the working and Accrued Liabilities were \$4,004,797. Included in the Working Liabilities were \$810,500 Bills Payable.

READJUSTMENT PLAN.

Under date of January 31, 1916, a Plan of Readjustment was announced. The Plan, while it called for the formation of a new company, did not disturb any of the bonds or equipment obligations of the Minneapolis & St. Louis Ry. System. Holders of Minneapolis & St. Louis Ry. preferred and common stock were asked to deposit their stock. Each holder of \$100 preferred stock received \$70 in new common stock and by paying \$20 received an additional \$80 in new common stock. Common stockholders were entitled under the Plan to receive \$22 in new stock and by paying \$20 to receive \$78 additional in new stock. The cash requirements of the Plan were \$4,530,200 which were raised by stock subscription as above, and \$3,600,000 of the proceeds were used to retire Notes, Bills, etc. The new company issued \$25,783,550 stock as per Plan.

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RY.

See Table, page 183.

The preferred stock has priority over the common stock for non-cumulative dividends of 7% per annum, and is entitled to share pro rata with the common stock any dividends in excess of 7% paid on the capital stock of the company. Dividends have been paid in recent years as follows (April and October):

	'02	'03 to '07	'08 to '09	'10 to 16
Preferred	7%	7%	7%	7%
Common	2%	4%	6%	7%

As of June 30, 1916, the Canadian Pacific Ry. owned \$12,723,500 common and \$6,361,800 preferred stock of this company; also \$3,993,000 Consolidated 4% bonds.

The Canadian Pacific Ry. guarantees the interest on practically all of this company's bonds, including the Consols.

On April 1, 1909, by the expenditure of \$3,661,121, the Minneapolis, St. Paul and Sault Ste. Marie Ry., acquired about 51% of the outstanding common stock of the Wisconsin Central Ry. The company also secured practically all of the preferred stock of the Wisconsin Central Ry. The latter company has been leased for 99 years; for particulars see under Wisconsin Central Ry.

STOCK ISSUED.

In 1907-8, the authorized stock was increased from \$14,000,000 to \$28,000,000 common and from \$7,000,000 to \$14,000,000 preferred. Stockholders were offered the right to subscribe pro rata at par for \$2,800,000 common stock and \$1,400,000 preferred stock.

In March, 1909, stockholders subscribed pro rata at par for \$2,016,000 new preferred stock and \$4,032,000 common stock.

Stockholders of record April 15, 1911, subscribed pro rata for \$2,187,400 preferred stock and \$4,374,800 common stock at par.

GENERAL.

In 1914-15, \$2,637,000 First Consolidated Mortgage 5% bonds, due July 1, 1938, were sold. In addition there are outstanding under this mortgage \$56,863,000 4% bonds. They are guaranteed as to interest by the Canadian Pacific Ry.

This company has carried on a large amount of construction work during the past fourteen years, over 1,700 miles having been constructed. The total mileage operated on June 30, 1916, was 3,169 miles.

During 1914-15, the "Soo Line" purchased the Fairmount & Veblen Ry. (Fairmount, N. D. to Grenville, S. D., 87 miles). Operation of the line by the "Soo" was commenced July 1, 1915.

A company known as the Central Terminal Ry. (stock all owned by the Soo Line) was incorporated to construct new terminals in the City of Chicago. \$6,000,000 4% 30-year Chicago Terminal First Mortgage bonds of an authorized issue of \$20,000,000 were sold in 1911. The bonds are guaranteed by the Soo Line and by the Central Terminal Ry. of Ill.

On June 30, 1916, Working Assets of the "Soo Line" were \$11,836,831, and Working and Accrued Liabilities were \$5,927,105. The credit balance to Profit and Loss Account amounted to \$18,134,969.

The grain traffic for 1915-16 was 2,367,588 tons (25.4% of total tonnage), as compared with 1,386,390 tons in 1914-15 and 1,434,664 tons in 1913-14.

WISCONSIN CENTRAL RY.

See Table, page 184.

(Minneapolis, St. Paul & Sault Ste. Marie Ry.—Chicago Division.)

The preferred stock is entitled to non-cumulative dividends of 4% per annum, and after 4% dividends shall have been paid in any year on both classes of stock, both shall participate equally in any further dividends for such year. In December, 1908, an initial dividend was declared on this stock at the rate of 4% per annum, which rate is now being paid.

CONTROL BY THE "SOO LINE."

In 1909, through the purchase of preferred stock and about 51% of common stock, control of the Wisconsin Central Ry. was secured by the Minneapolis, St. Paul & Sault Ste. Marie Ry. (Canadian Pacific Ry.), affording that company a Chicago connection.

The "Soo Line" issued its Leased Line Stock Certificates in exchange for the preferred stock of the Wisconsin Central Ry., which stock is now held in trust. By the terms of such Leased Line Stock Certificates, the "Soo Line" expressly obligates it-

self to pay to the holders of such certificates 4% per annum, payable semi-annually for 99 years.

The lease became operative April 1, 1909. To June 30, 1916, \$11,176,800 of the Leased Line Certificates had been issued in exchange for an equal amount of Wisconsin Central Ry. preferred stock, leaving about \$88,500 outstanding stock unexchanged.

BONDS.

In 1905-6, a new mortgage, the Superior & Duluth Division & Terminal Mortgage, was created securing an issue of 4% bonds due 1936. Of the bonds \$7,500,000 were sold and the proceeds used to provide in part for the cost of a line from Owen to Duluth, 160½ miles, including the terminals, in Superior and Duluth. No additional bonds will be issued under this mortgage.

The company in 1909, authorized a First and Refunding Mortgage securing \$60,000,000 4% bonds, due April 1, 1959. Of these bonds, \$36,459,000 were reserved to refund existing bonds and equipment obligations. \$5,816,000 of these bonds were held by the public June 30, 1916. The First and Refunding Mortgage bonds are guaranteed as to interest by the "Soo Line."

On February 1, 1915, \$1,000,000 5% 3-year Notes were sold. They are guaranteed principal and interest by the "Soo Line" and are secured by \$1,500,000 First and Refunding 4% bonds.

A company known as the Central Terminal Ry. (stock all owned by the "Soo Line") has constructed new terminals in the City of Chicago. \$6,000,000 4% 30-year Chicago Terminal First Mortgage bonds of an authorized issue of \$20,000,000 were sold in 1911. The bonds are guaranteed by the "Soo Line" and by the Central Terminal Ry. Co. of Illinois.

GENERAL.

The gross cash receipts of the Land Department for 1915-16, were \$71,543. The number of acres unsold on June 30, 1916, was 407,890 and there was a credit to the Profit and Loss account of the Land Department, amounting to \$1,980,766.

By operation of the Sinking Fund and by other transactions there had been effected to June 30, 1916, the retirement and cancellation of approximately \$2,000,000 of First General Mortgage bonds.

The balance sheet as of June 30, 1916, showed Working Assets, \$2,462,979 (not including company's securities owned) and Working and Accrued Liabilities of \$897,170.

MONTANA, WYOMING & SOUTHERN RY.

See Table, page 185.

No dividends are being paid on the company's stock.

This railway extends from Bridger to Washoe, Mont. (25 miles), with branches (7 miles). An extension to Cook City, Mont., with

branches to the Bear Creek and the Sunlight Mining Districts (total 100 miles), is projected.

The \$881,100 First Mortgage 5% bonds of this company mature September 1, 1939. Additional bonds are issuable at \$25,000 per mile, under carefully guarded restrictions.

This railway is controlled in the interest of the Anaconda Copper Mining Co.

Current Assets, June 30, 1916, \$65,660; Current Liabilities, \$7,130.

NORTHERN PACIFIC RY.

See Table, page 186.

In the year 1903, the stock of this company received 7%. In 1904 the stock received 6¾%; since then 7% per annum has regularly been paid. Dividends are paid quarterly, commencing February.

In 1908, the regular dividend of 7% was paid and in addition on December 3, an extra dividend of \$11.26 per share was paid to stockholders out of accumulated surplus of the Northwestern Improvement Co., which company is owned by the Northern Pacific Ry. As of June 30, 1916, the Northern Pacific Ry. had 20,413 stockholders.

On June 30, 1916, the Northern Pacific Ry. held among its treasury securities \$7,000,000 bonds and \$6,775,000 stock of the Northwestern Improvement Co., valued on the books at par; also \$49,600 unpledged stock of the Chicago, Burlington & Quincy R. R., \$100,000 stock of the Colorado & Southern Ry., \$20,000,000 stock, \$3,714,549 Notes and \$31,855,000 4% bonds (book value of bonds \$22,298,500) of the Spokane, Portland & Seattle Ry. (see a following paragraph). As of *June 30, 1915*, the Northwestern Improvement Co. held among its assets the following: Spokane & Inland Empire R. R. common stock, \$3,465,250 (cost \$1,879,655), preferred stock, \$1,083,350 (cost \$1,059,585). Notes, \$2,233,338; Spokane, Portland & Seattle Ry. bonds 4%, \$5,000,000 (cost \$3,500,000), Notes \$400,000. The par value of holdings of this company as of June 30, 1915, was \$28,247,287 and the cost of the securities \$14,146,679. The Spokane & Inland Empire R. R. stock was acquired 1909 (see that company).

STOCK ISSUED, ETC.

In 1907, stockholders were given the right to subscribe for \$93,-000,000 new stock at par to the extent of 60% of their respective holdings. The new stock was paid for in nine instalments, the last payment having been made 1909. The proceeds derived from the sale of this stock were used to construct additional mileage, to increase terminal facilities, to purchase new lines, etc., etc.

During 1908-9, the Oregon Short Line R. R. (Union Pacific System) disposed of the balance (\$1,914,400 stock June 30, 1908) of its holdings of the stock of this company. These holdings amounted to the equivalent of \$29,290,885 stock on June 30, 1905.

For details regarding the purchase in 1901 of control of the Chicago, Burlington & Quincy R. R. jointly by the Great Northern Ry. and the Northern Pacific Ry., see under Chicago, Burlington & Quincy R. R.

LAND DEPARTMENT.

As of June 30, 1916, the Northern Pacific Ry. owned 6,586,897 acres of land unsold. Land operations in recent years have resulted as follows:

	Acres Sold	Amount Realized
Year 1915-16.....	1,283,068	\$6,432,518
Year 1914-15.....	1,004,018	4,124,580
Year 1913-14.....	588,934	3,458,379
Year 1912-13.....	526,374	3,040,126
Year 1911-12.....	154,286	1,524,038
Year 1910-11.....	138,584	1,495,892
Year 1909-10.....	539,128	3,977,900
Year 1908-9.....	350,060	1,807,726
Year 1907-8.....	159,271	1,217,107
Year 1906-7.....	216,743	1,703,202
Year 1905-6.....	164,032	1,110,146

Land contracts on hand June 30, 1916, aggregated \$13,308,383.

GENERAL.

Main, second and third track as of June 30, 1916, included:

47 miles of 100-pound steel,	44 miles of 70-pound steel,
2,265 miles of 90-pound steel,	520 miles of 66 and 67-lb. steel,
1,504 miles of 85-pound steel,	84 miles of 60-pound steel,
7 miles of 76 and 80-lb. steel.	1,211 miles of 56-pound steel,
1,269 miles of 72-pound steel,	11 miles of other weights.

The balance sheet of June 30, 1916, showed Current Assets amounting to \$33,151,376; this sum included \$6,588,836 material on hand, and \$18,305,323 cash. Current Liabilities were \$17,991,959. The Credit balance to Profit and Loss was \$90,898,737.

On June 30, 1916, the Insurance Fund had a credit of \$5,803,206.

Under date of July 1, 1914, there were issued \$20,000,000 Refunding and Improvement Mortgage 4½% bonds due 2047. The proceeds of this bond issue were used to refund \$10,000,000 6% Notes and for other corporate purposes. The authorized issue of these bonds is equal to three times the amount of outstanding capital stock. Of the bonds \$421,492,500 are reserved to retire bonds (including C. B. & Q. collateral bonds).

SPOKANE, PORTLAND & SEATTLE RY.

The Northern Pacific Ry., jointly with the Great Northern Ry., owns the Spokane, Portland & Seattle Ry., which owns a line of road from Portland, Ore., to Spokane Wash. This company in 1915-16 operated 555 miles of road.

In payment for large advances made to the Spokane, Portland & Seattle Ry., the Northern Pacific Ry. has received, as stated, \$20,000,000 stock (one-half), and \$31,855,000 of the First Mortgage 50-year 4% bonds (due 1961—\$125,000,000 authorized) of the Spokane, Portland & Seattle Ry. The Great Northern Ry. received an equal amount of stock and owned \$36,855,000 bonds. There were included among the treasury securities held by the Northern Pacific Ry. on June 30, 1916, as previously stated, \$20,000,000 stock of the S. P. & S. Ry. (valued at par) and \$31,885,000 bonds of that company (valued 70% of par value). The Northwestern Improvement Co. likewise held \$5,000,000 S. P. & S. Ry. bonds.

For the year 1915-16, the operating revenue of the Spokane, Portland & Seattle Ry. and the Astoria & Columbia River R. R. was \$4,971,800 (as against \$4,414,415 in 1914-15), and a large deficit was reported.

During 1915-16, expenditures were made and charged to Capital Account of the Northern Pacific Ry. to an aggregate amount of \$3,973,868 (against \$8,977,504 in 1914-15, \$15,328,474 in 1913-14, \$16,556,322 in 1912-13, \$7,092,272 in 1911-12 and \$7,998,106 in 1910-11), and additional large advances were made to sundry companies for construction purposes during this period.

SPOKANE & INLAND EMPIRE R. R.

See Table, page 187.

The preferred rights (authorized issue \$10,000,000) are entitled to 5% dividends, (cumulative from January 15, 1911. It is further provided that, after 5% shall have been paid in any year on the stock of the company, further dividends up to 7% shall be for the equal benefit of both issues, the maximum annual payment on the preferred rights being limited to 7%. The preferred rights are redeemable at 135, at the option of the company, and have no vote.

An initial dividend of 1¼% was paid on the preferred rights on January 21, 1907. In 1907, 5% was paid on the preferred rights, quarterly. No dividends have since been paid.

In 1909, and subsequently, a majority of the common stock and a large amount of preferred certificates were acquired by the

Northwestern Improvement Co. (a subsidiary of the Northern Pacific Ry.) and the Great Northern Ry. As of June 30, 1916, the Northwestern Improvement Co. owned \$3,465,250 S. & I. E. R. R. common stock (cost \$1,879,655) and \$1,083,350 preferred rights (cost \$1,059,585). The Great Northern Ry. as of June 30, 1915, held \$3,465,250 common stock and \$1,083,350 preferred rights. Likewise, as of June 30, 1915, the Northwestern Improvement Co. held \$2,233,338 Notes of the S. & I. E. R. R., and a like amount presumably was held by or in the interest of the Great Northern Ry.

HISTORY AND DESCRIPTION.

The charter of the Spokane & Inland Empire R. R. authorizes the company to construct and operate electric railways, street railways, develop electric power plants and generate, distribute and sell electric energy for light, heat and power. The company owns and operates an electrically equipped, high-speed railroad system, comprising 177 miles of road extending south from Spokane to Colfax and Moscow and east from Spokane to Cœur d'Alene City and Hayden Lake, Idaho, with a branch to Liberty Lake; also the Opportunity Line to Flora, Washington, 9 miles. In addition the company owns and operates an electric railroad of 35 miles in Spokane. A valuable freight and passenger terminal in the center of Spokane is also owned.

WATER POWER PLANT.

The company owns a water power plant on the Spokane River, 9 miles below the city, consisting of a concrete dam 60 feet high and a concrete and steel power-house.

The new power plant furnishes power for use in the operations of the company's entire lines.

GENERAL.

On June 30, 1916, there were outstanding \$3,766,000 of an authorized issue of \$15,000,000 First and Refunding Mortgage 20-year 5% bonds, due May 1, 1926. A sinking fund has been provided to retire bonds of this issue as follows: 1% of the outstanding bonds 1911 to 1915; 1½% 1916 to 1920; and 2% 1921 to 1925. Bonds are reserved to retire about \$838,000 underlying bonds.

The balance sheet of June 30, 1916, showed Non-Negotiable Debt to Affiliated Companies, \$5,251,068 as follows: Notes, \$4,467,860; Open Accounts \$315,255; Interest Accrued, \$467,953.

In addition to expenditures made from the proceeds derived from the sale of the bonds and bills above mentioned, there has been provided by the holders of preferred certificates of stock, it is said, and expended on the property, upwards of \$6,000,000.

As of June 30, 1916, Current Assets were \$253,866, as compared with Current Liabilities amounting to \$234,484. There was debit balance to Profit and Loss of \$1,230,780.

TACOMA EASTERN R. R.

See Table, page 188.

In 1909 control of this road was acquired by the Chicago, Milwaukee & St. Paul Ry., which company owns all of the preferred stock and practically all of the common stock.

The preferred stock is entitled to non-cumulative dividends at the rate of 6% per annum in priority to the common stock.

In May, 1911, dividends of 11% were declared on each class of stock. No dividends were paid in 1911-12 and subsequent years.

The funded debt of this company consists of \$884,000 (authorized \$1,500,000) First Mortgage 5% bonds due 1923. The balance sheet of June 30, 1916, showed \$3,021,937 Obligations for Advances Received from C. M. & St. P. Ry. for Construction, Equipment and Betterments.

The Balance Sheet as of June 30, 1916, showed Working Assets of \$164,214, against Working and Accrued Liabilities of \$92,030.

Products of Forest contributed 87.1% of the total tonnage carried in 1915-16, against 93.3% in 1914-15 and 92.0% in 1913-14.

UNION PACIFIC R. R.

See Table, page 189.

The preferred stock is limited to non-cumulative dividends of 4% per annum. In October, 1906, the dividend on the common stock was raised from 6% to 10% per annum, which latter rate was paid to and including the dividend paid in April, 1914. When the dividend was increased the announcement was made that the additional 4% per annum was declared from the company's income from investments. In July, 1914, the dividend rate was reduced to 8% per annum (see next paragraph). Dividends on the preferred stock are paid semi-annually in April and October, and on the common stock quarterly, beginning January 1. In December, 1916, an extra dividend of 2% was paid, making 10% for the year.

A dividend was paid to holders of common stock of record March 2, 1914, as follows: \$3 a share in cash, \$12 par value in Baltimore & Ohio R. R. preferred and \$22.50 in common. The income from these stocks and the cash, it was figured, would amount to about \$2 per annum. Following the distribution of this dividend, the rate on Union Pacific R. R. common stock was reduced to 8% per annum. The distribution of B. & O. stocks amounted to \$48,742,965 common and \$25,996,248 preferred. To offset the payment of this dividend Profit and Loss account in 1913-14 was charged \$74,020,372.

STOCKS OWNED OF OTHER COMPANIES.

June 30, 1916.

	Par Value.
Baltimore & Ohio R. R. preferred (cost 92.50).....	\$1,805,992
Baltimore & Ohio R. R. common (cost 120.00).....	3,594,035
Chicago & Alton R. R. preferred (cost 86.50).....	10,343,100
Chicago & Northwestern Ry. common (cost 167.97) (a)	4,018,750
Chicago, Milwaukee & St. Paul Ry. Pfd. (cost 100.00) (a)	1,845,000
Illinois Central R. R. stock (cost 163.30).....(b)	22,500,000
N. Y. Central R. R. stock (cost 129.95).....(a)	20,000,000
Railroad Securities Co. preferred (cost about 101).....	1,936,900
Railroad Securities Co. common (cost about 140).....	3,484,920
San Pedro, Los Angeles & Salt Lake R. R. stock (one-half)	12,500,000
St. Joseph & Grand Island R. R. first preferred.....	4,558,850
St. Joseph & Grand Island R. R. second preferred.....	3,309,079
St. Joseph & Grand Island R. R. common.....	4,239,700
(a) pledged; (b) \$8,700,000 pledged; see a later paragraph.	

BONDS OWNED OF OTHER COMPANIES.

June 30, 1916.

Chicago & Alton R. R. Gen'l Mtge. 6%.....	*\$8,417,000
Southern Pacific System (various)	28,553,000
San Pedro, Los Angeles & Salt Lake R. R. 1st 4%....	†28,526,000
Utah Light & Traction Co. 1st and Ref. 5%.....	11,864,000
*Includes \$6,399,000 Southern Pacific (Central Pacific Stock)	
Collateral 4% bonds, \$6,000,000 San Francisco Terminal 4% bonds,	
\$14,568,000 Southern Pacific R. R. 4% bonds, etc. †\$27,577,000	
pledged.	

The total amount of bonds held including above was \$110,291,300.

Total investments had book value of \$825,372,021 as of June 30, 1916.

SYSTEM BONDS OWNED.

For the purpose of retiring certain bonds and for other corporate purposes the Oregon Short Line R. R. issued its 4% Refunding 20-year bonds, due December, 1924, to an amount of \$100,000,000. Of this issue \$45,000,000 were, on June 30, 1916, in the hands of the public. The remaining bonds, amounting to \$55,000,000 previously held by the Union Pacific R. R. as a free asset were retired during 1914-15. The \$45,000,000 bonds which are outstanding are secured by \$27,577,000 San Pedro, Los Angeles & Salt Lake R. R. bonds; \$8,700,000 Illinois Central R. R. stock, \$4,018,700 Chicago & Northwestern Ry. stock, \$1,845,000 "St. Paul" stock and \$20,000,000 stock of the New York Central R. R.

On June 30, 1916, the Union Pacific System owned \$45,074,000 First and Consolidated 4% bonds and \$72,500 other bonds of the

Oregon Short Line R. R., total including other System bonds (all unpledged) \$108,391,500.

Not including the \$108,391,500 System bonds owned, as per preceding paragraph, and not including \$39,162,479 stocks and \$41,665,744 bonds and notes of the directly operated Auxiliary Cos. owned unpledged by the Union Pacific R. R. and Auxiliary Cos., there were owned on June 30, 1916, by the Union Pacific R. R. and Auxiliary Cos. \$110,291,300 bonds and \$69,528,678 stocks of *other companies*. These latter securities were included in the assets at a valuation of \$192,175,531. Of \$179,819,947 face value of these securities, \$145,256,247 face value were unpledged on June 30, 1916. In the list of the stocks of *other companies* held on June 30, 1916, there were included the stocks listed first above, excepting only the stocks of the St. Joseph & Grand Island R. R.

The company received \$4,331,904 in 1915-16, as dividends on its investment stocks and as interest on bonds owned of other companies the sum of \$6,528,971.

The lines of the San Pedro, Los Angeles & Salt Lake R. R. aggregate over 1,000 miles, the main line extending from Salt Lake City, Utah, to San Pedro (near Los Angeles) on the Pacific Coast. The Oregon Short Line R. R. (Union Pacific System) owns a one-half interest in this company.

The stocks of the Baltimore & Ohio R. R. distributed to stockholders in 1914, were previously largely owned by companies in the Pennsylvania R. R. system. The Pennsylvania Lines owned prior to the exchange of securities as noted in a later paragraph \$42,547,200 of the capital stock of the Baltimore & Ohio R. R.

On June 30, 1916, the Chicago & Northwestern Ry. owned \$4,171,500 preferred stock of the Union Pacific R. R., carried on the company's books at a valuation of \$3,910,576.

See Toledo, St. Louis & Western R. R. as to interest owned by that company in the stock of the Chicago & Alton R. R.

SOUTHERN PACIFIC COMPANY STOCK.

In December, 1912, the Supreme Court of the U. S. held that the ownership of the stock of the Southern Pacific Co. by the Union Pacific was in contravention of the Sherman Anti-Trust statute, and directed that such stock be disposed of in such manner as to effectually prevent the control of the Southern Pacific Co. by or in the interest of the Union Pacific R. R. A plan was formulated providing for the exchange of \$38,292,400 par value, of the stock of the Southern Pacific Co. for \$21,273,600, par value, of the preferred stock and \$21,273,600, par value, of the common stock of the Baltimore & Ohio R. R. held by the Pennsylvania R. R., and for the deposit of the remaining stock of the Southern Pacific Co. held by the Union Pacific, aggregating \$88,357,600, par value, with a trustee, the issuance of the trustee certificates against the stock so deposited, share for share, but under such restrictions that the

trustee's certificates could not be converted into the underlying Southern Pacific stock by any owner of Union Pacific stock, and the sale of such certificates to all shareholders, preferred and common, of the Union Pacific R. R. The Southern Pacific Co. stock was offered at \$92 per share to stockholders for subscription September, 1913.

The preferred and common stocks of the Baltimore & Ohio R. R., purchased with Southern Pacific Co. stock from the Pennsylvania R. R., were taken up on the books of the company at the market value as of the date on which the transaction was consummated. To June 30, 1916, the Southern Pacific Stock Account showed a profit upon the books of \$16,099,190.

RESULT OF ORIGINAL INVESTMENT IN STOCK OF NORTHERN SECURITIES CO.

The state of the account in respect of the cost of the stock of the Northern Securities Co. and of the stocks of the Great Northern Ry. and of the Northern Pacific Ry. companies received in the distribution of the assets of the Securities Company, also in respect of the transactions growing out of the stocks subsequently acquired under subscription rights and of the proceeds from the sale of these stock to *June 30, 1910*, showed the following results: Cost of 82,491,871 shares Northern Securities Co. stock, \$79,459,691; subscription to Great Northern Ry. and Northern Pacific Ry. stocks, \$9,931,710; total, \$89,391,401; amounts realized to June 30, 1910, from sale of securities, \$147,377,342; profit, \$57,985,041.

Since June 30, 1910, this profit has been increased to \$58,855,677. Of this amount \$4,955,479 was credited to Profit and Loss in 1904-5, and \$53,728,678 was credited to Profit and Loss in 1910-11. (See a following paragraph and see "Earning Power of Railroads" 1916 and earlier editions.

There was sold during 1909-10, \$10,000,000 Atchison, Topeka & Santa Fe Ry. preferred stock for \$10,491,703 (\$104.92 per share; this stock originally cost \$103.95 per share). There was sold in 1908-9, \$7,280,000 par value Chicago, Milwaukee & St. Paul Ry. common stock for \$9,982,187, and \$641,565 par value Illinois Central R. R. stock for \$948,806.

A profit of \$58,855,677 was made on the sale of the stock of the Northern Pacific Ry., the Great Northern Ry. and the Northern Securities Co., and the Oregon Short Line R. R. in 1911, declared a special dividend, equal to the amount of the profit, which went to the Union Pacific R. R., the owner of all the stock of the Oregon Short Line R. R. This was credited to the Profit and Loss account for the year ended June 30, 1911. There resulted a profit of \$16,099,190 on the sale of the stock of the Southern Pacific Co., which, during the fiscal year 1915-16 was credited to Profit and Loss, making a total profit on these two transactions of about

\$75,000,000. On the other hand, the market value of other investment securities owned showed, on June 30, 1916, a large depreciation. Since the Northern Securities transaction has been closed and the Southern Pacific stock disposed of, and the profits have been credited to Profit and Loss, it seemed proper that the book value of the other investment securities owned should be either written down to approximately their market value, or that there should be created a reserve to cover eventual depreciation, if any. Therefore, it was resolved by the Directors to appropriate out of surplus and set up as a "Reserve for Depreciation of Securities" the sum of \$50,000,000. Accordingly, the said amount was charged to Profit and Loss and credited to "Reserve for Depreciation of Securities" under the head of "Appropriated Surplus." If and when any of the securities referred to are disposed of, whatever loss, if any, may be sustained, will then be charged against this reserve account. The credit to this reserve as of June 30, 1916, was \$35,418,052. The distribution of the B. & O. stock in 1914, explains the reduction of this reserve from \$50,000,000.

ASSETS AND LIABILITIES.

Following is presented a condensed statement of the Assets and Liabilities on June 30, 1916, of the Union Pacific R. R. and Auxiliary Cos., excluding stocks, and bonds owned of Auxiliary and Proprietary Cos., and all offsetting accounts between them:

ASSETS.

Capital Assets	\$825,372,022
Current Assets (including \$9,534,306 material and supplies)	53,037,681
Deferred Assets and Unadjusted Debits.....	2,637,078
Total Assets.....	\$881,046,781

LIABILITIES.

Capital Liabilities:	
Stocks (\$321,836,600) and Bonds (\$334,629,850)....	\$656,466,450
Current Liabilities (including October dividends).....	31,461,345
Deferred Liabilities and Unadjusted Credits.....	28,470,707
Appropriated Surplus	*40,471,469
Balance to Credit of Profit and Loss.....	124,176,810
Total Liabilities.....	\$881,046,781

*Includes \$35,418,052 Reserve for Depreciation of Securities.

GENERAL.

As of June 30, 1916, the Union Pacific R. R. and the Union Pacific Land Co. owned 1,000,686 acres of land unsold, the value of which was estimated at \$1,797,215. Principal of deferred payments on

land contracts amounted June 30, 1916, to \$734,661; 12,192 acres were sold during the year 1915-16.

Main and second track contained June 30, 1916:

3,080 miles of 90-pound steel,	30 miles of 67-pound steel,
16 miles of 85-pound steel.	101 miles of 65-pound steel,
1,135 miles of 80-pound steel,	880 miles of 60 to 62½-lb. steel,
1,543 miles of 75-pound steel,	595 miles of other weights.
1,267 miles of 70-pound steel,	

On June 30, 1916, the Union Pacific R. R. and the Southern Pacific Co. each owned one-half of the \$10,800,000 paid-up capital stock of the Pacific Fruit Express Co.

CONVERTIBLE BONDS RETIRED AND EXISTING, OTHER BOND ISSUES, ETC.

In 1907, the company sold \$73,762,000 face value of an authorized issue of \$75,000,000 of 20-year 4% Convertible Gold Bonds, and the proceeds were applied to the discharge of current liabilities. These bonds, due July 1, 1927, were offered to stockholders at 90. They are convertible at the option of the holder into common stock at \$175 per share. The bonds may be called for redemption by the company on any semi-annual interest day on 90 days' notice at 102½. In the event of the bonds being called for redemption, the privilege of conversion will terminate thirty days before the redemption date. \$26,835,225 of these bonds were unconverted on June 30, 1916. The amount of common stock outstanding was increased from \$199,302,300 as of June 30, 1909, to \$222,291,600 on June 30, 1916, through the conversion into stock of these convertible bonds. \$9,900,975, \$2,100, \$28,875, \$87,675 and \$30,231,950 respectively were converted into stock in 1913-14, 1912-13, 1911-12, 1910-11 and 1909-10.

In 1908, there were sold \$50,000,000 of an authorized issue of \$200,000,000 First Lien and Refunding Gold 4% bonds due 2008. Of these bonds \$100,000,000 are reserved to retire the First Mortgage 4% bonds due 1947 and the balance (\$50,000,000) were reserved to construct or acquire additional lines. To June 30, 1916, there had been issued \$96,706,090 bonds of this issue, \$65,458,090 of which were in the hands of the public.

CONSOLIDATION OF OREGON AND WASHINGTON PROPERTIES.

In 1910-11 the properties of the Oregon R. R. & Navigation Co., the Snake River Valley R. R., the Idaho Northern R. R. and eleven other companies, all previously owned by the Union Pacific R. R. were consolidated, having been purchased by a new company, the Oregon-Washington R. R. & Navigation Co. The entire \$50,000,000 stock of this company (excepting \$1,500), is owned by the Oregon Short Line R. R., the entire capital stock (\$100,000,000) of which company is in turn owned by the Union Pacific R. R.

The Oregon-Washington R. R. & Navigation Co., in 1910-11, executed its First and Refunding Mortgage to secure an issue of bonds

limited to \$175,000,000. The bonds mature January 1, 1961, and bear interest at not exceeding 5% per annum (January and July). Of the authorized bonds, \$23,380,000 are reserved to refund and retire outstanding bonds of the Oregon R. R. & Navigation Co., and \$111,620,000, reserved for future issue against the cost of construction and acquisition of additional mileage, double track, etc. Bonds to the amount of \$71,662,035 have been issued, bearing interest at the rate of 4% per annum; of this amount \$39,665,035 bonds were held by the public on June 30, 1916, and \$31,744,000 were held in the Union Pacific R. R.'s treasury.

The Oregon Short Line R. R. under date of December 1, 1910, executed its First and Consolidated Mortgage, to secure \$150,000,000 bonds. Said bonds mature December 1, 1960, and bear interest at not exceeding 5% per annum. \$45,074,000 bonds bearing interest at 4% per annum have been issued and \$41,487,000 sold to the Union Pacific R. R. (held as a free asset in its treasury on June 30, 1916).

Since June 30, 1907, additions and betterments (including double track and equipment) to the amount of \$83,193,130 (average \$11,-884,733 per year) have been made and charged to Capital Account. Likewise \$83,951,799 (average, \$11,993,114 per year) has been similarly charged for extensions and branches. This made a total of \$167,144,927 (average, \$23,877,847 per year) expended and charged to Capital Account.

SOUTHERN PACIFIC CO.

See Table, page 190.

On October 1, 1906, an initial semi-annual dividend of 2½% was paid on the common stock. On April 1, 1907, 2½% was paid; on July 1, 1907, a quarterly dividend of 1¼% was paid, and thereafter 1½% quarterly, beginning October 1, 1907.

In 1904-5 and in 1907-8, respectively, the Southern Pacific Co. sold to its stockholders at par \$39,569,840 and \$35,296,623 of an authorized issue of \$100,000,000 of 7% preferred stock, redeemable at 115 and convertible into common stock at par at option of holder. In 1908-9, the preferred stock was called for redemption, the holders being given the opportunity either to take advantage of the conversion privilege or to receive, per \$100 stock, \$20 in cash and \$100 in 4½% Debenture bonds. Nearly all of the preferred stockholders exchanged their preferred stock for common stock. Only \$227,000 preferred stock was exchanged for the bonds and only \$62,-140 was surrendered for cash.

Of the total stocks of Proprietary Cos. outstanding on June 30, 1916, amounting to \$343,885,600, there were owned by the Southern Pacific Co. \$343,452,400, and there were held in the treasury of one of the Proprietary Cos. \$350,000, leaving outstanding in the hands of the public but \$83,200 stock.

FORMER STOCK OWNERSHIP—OWNERSHIP OF BONDS.

On December 2, 1912, the Supreme Court of the United States handed down a decision which adjudged, that in accordance with the Sherman Law, the Union Pacific System's ownership of Southern Pacific Co. stock (\$126,650,000 owned as of June 30, 1912), was unlawful. See Union Pacific R. R. for detailed information regarding the exchange by that company of \$38,292,800 Southern Pacific Co. stock on July 16, 1913, for \$42,547,200 Baltimore & Ohio R. R. stock (half common and half preferred) formerly held by the Pennsylvania R. R.; also regarding the sale of \$88,357,600 Southern Pacific Co. stock to Union Pacific stockholders at 92.

On June 30, 1916, the Oregon Short Line (Union Pacific System) owned bonds of the Southern Pacific Co. as follows: \$14,568,000 Southern Pacific R. R. First Refunding 4s, \$6,399,000 Southern Pacific Co. (Central Pacific Stock Collateral) 4s, \$6,000,000 San Francisco Terminal First Mortgage 4s and \$1,586,000 other bonds. The bonds mentioned above were largely sold to the Union Pacific R. R. in 1911-12, the latter company giving to the Southern Pacific Co. in payment for a part of the bonds, Notes to the amount of \$23,740,362.

CONVERTIBLE BONDS.

Under date of February 1, 1909, an issue of \$82,000,000 20-Year Convertible 4% bonds due June 1, 1929, was authorized.

The issue, as a whole, may be called for redemption on any interest day on 90 days' notice at 105 and interest. The bonds are convertible at the option of the holder at any time prior to June 1, 1919, into stock at \$130 per share. If the bonds are called for redemption during the conversion period, they may be converted into stock, up to 30 days prior to the redemption date.

These convertible bonds were offered at 96 and interest to stockholders to the extent of 30% of their stock holdings. \$81,814,000 of these bonds were issued, of which \$81,151,910 were outstanding on February 15, 1917.

The stockholders on April 8, 1914, authorized an issue of \$54,534,000 5% bonds, due June 1, 1934. These bonds are convertible into stock at par at any time or or before June 1, 1924. The issue as a whole is subject to call at 105 and interest on and after June 1, 1919, on 90 days' notice. These bonds were offered at par to stockholders to the extent of 20% of their holdings. \$3,500 of the bonds were converted during 1915-16.

BONDS.

To provide funds for the retirement of bonds of the constituent companies merged by consolidation into the Southern Pacific R. R. and for the acquisition of additional property, etc., the latter company in January, 1905, authorized an issue of \$160,000,000 First Refunding Mortgage 4% bonds, due 1955.

From January 1, 1905, to June 30, 1916, First Refunding Mortgage bonds were issued to the amount of \$144,014,500, including \$6,606,500 owned by the Southern Pacific Co.; \$141,000 of the bonds were purchased by the company and cancelled, leaving \$143,873,500 bonds outstanding at June 30, 1916. About \$82,000,000 bonds of the total amount outstanding June 30, 1916, were issued to refund underlying bonds (over \$77,000,000 bonds, mostly 5% and 6% bonds).

In 1910, there were issued \$15,000,000 of an authorized issue of \$50,000,000 San Francisco Terminal First Mortgage 4% bonds, due April 1, 1950. These bonds are redeemable at 105 as an entirety. The unissued bonds are reserved to acquire and improve terminal real estate in and about the City of San Francisco. No bonds can be issued under this mortgage at an interest rate to exceed 5% \$24,972,500 of these bonds were outstanding June 30, 1916, including \$6,000,000 bonds sold to the Union Pacific R. R. in 1911-12.

During the past thirteen fiscal years the net increase in the funded and fixed interest-bearing debt of the Southern Pacific Co. and Proprietary Cos. has been as follows: 1903-4 to 1907-8, \$23,861,916; 1908-9, \$94,162,237; 1909-10, \$11,462,577; 1910-11, \$43,865,610; 1911-12, \$23,278,373; 1912-13, \$23,909,430; 1913-14, \$37,716,967, and 1914-15, \$3,832,198. In 1915-16 there was a net decrease of \$2,174,544. On June 30, 1916, \$558,314,510 bonds were in the hands of the public, \$90,114,112 bonds were owned, and \$10,447,000 bonds were in Sinking Funds of Proprietary Cos.

ASSETS AND LIABILITIES (ALL COMPANIES).

On June 30, 1916, the combined Assets and Liabilities of the Southern Pacific Co. and its Proprietary Cos. (excluding all offsetting open accounts between the companies) summarized showed Capital Assets of \$1,512,448,961 and Capital Liabilities of \$1,281,785,946 Current and Deferred Assets of \$54,355,697 and Current and Deferred Liabilities of \$30,417,704. Current Assets did not include any securities owned, but included \$31,402,144 cash and deposits, and \$16,609,508 material and supplies. Unadjusted Assets were \$11,796,799.

On June 30, 1916, the total credit to the Corporate Surplus accounts of the Southern Pacific Co. and its Proprietary Cos., including \$159,778,494 Credit Balance to Profit and Loss, was \$192,133,630 (of which \$117,219,274—Southern Pacific Co.).

ASSETS—SOUTHERN PACIFIC CO.

The assets of the Southern Pacific Co. (June 30, 1916), included \$112,099,692 book value of investments in road and equipment; \$429,185,928 face value bonds, stocks and Notes of affiliated companies; and advances to affiliated companies, \$119,331,844. Other Investments, \$11,430,389. The annual reports have stated that interest accruing on the large sums advanced to the Proprietary Cos.

or to the companies incorporated in their interest, for the construction of new railways, or for the acquisition of new lines, has not been taken into the income or into the assets of the company.

The Southern Pacific Co. advances to the Proprietary Cos. the funds required by them for extensions, new lines, additions, betterments and equipment, and for terminals, etc. During the progress of the work the sums thus furnished are carried by the Southern Pacific Co. until it is deemed well to dispose of the securities received in payment for such construction equipment, or other property.

LINES IN REPUBLIC OF MEXICO.

The company has in recent years been building railways in the Republic of Mexico under concessions. These concessions aggregate about 1,507 miles of railway of which 985 miles were completed to June 30, 1916. In addition the Sonora Ry. was sold by the "Santa Fe" Railway to the Southern Pacific R. R. of Mexico, bringing the latter's total operated mileage up to a total of 1,242 miles. The advances to the Southern Pacific R. R. of Mexico to June 30, 1916, have amounted to upwards of \$38,000,000.

The Southern Pacific R. R. of Mexico reported in 1915-16; gross (estimated), \$1,847,466. About \$1,033,000 of this Revenue is due from the Mexican Government, for which claims will be filed as soon as conditions permit. Deficit after charges (including \$3,300,020 interest due Southern Pacific Co. not taken up either in the income or assets of latter) \$2,922,059. The Mexican lines have been operated under great difficulty during the past several years, owing to the Revolution in Mexico.

SURPLUS EARNINGS—SOUTHERN PACIFIC CO.

The total surplus earnings for the nineteen fiscal years to July 1, 1916, after payment of fixed and other charges, amounted to over \$341,000,000, and the total amount of the dividends paid from the surplus of these years (including \$8,180,332, the amount of the July and October, 1916, dividends) was approximately \$173,516,219. Thus the net surplus from operations for these nineteen years, after the payment of dividends, amounted to about \$167,000,000.

STOCKS AND BONDS OWNED.

Jointly with the Atchison, Topeka and Santa Fe Ry., the Southern Pacific Co. owns the Northwestern Pacific R. R. (507 miles), which see.

On *June 30, 1915*, the Southern Pacific Co. owned \$11,080,000 (total issue \$20,000,000) of the stock of the Pacific Mail Steamship Co. After the close of the fiscal year it was decided to liquidate the assets of the company. Accordingly a large number of the steamers were disposed of. On December 25, 1915, stockholders received a distribution of \$25 per share from capital assets. The

par value of the stock was reduced from \$100 to \$5. On December 15, 1915, the Southern Pacific Co. disposed of its interest in the Pacific Mail Steamship Co. The loss on the sale of this stock \$1,157,734, was debited to the Profit and Loss account of the Southern Pacific Co.

On June 30, 1916, the Southern Pacific held in its treasury as free assets, about \$246,097,210 par value of stocks and \$87,151,194 par value of bonds and notes of various companies other than the Proprietary Companies. This total included the \$75,000,000 stock of the Southern Pacific R. R. of Mexico.

LAND AND SINKING FUND OPERATIONS.

As of June 30, 1916, the Proprietary Cos. owned 13,377,308 acres of land unsold. The principal of deferred payments on land contracts of the Proprietary Cos. and the Southern Pacific Land Co. was June 30, 1916, \$5,349,919, and to June 30, 1913, the net cash proceeds from the sale of lands amounted to \$16,429,840, not including \$14,972,113 proceeds from the sale of land by the Southern Pacific R. R. of California, which amounts were used to retire the Southern Pacific R. R. of California 6% bonds which matured in 1912. All but about \$990,000 of the combined sums last mentioned had been applied to the purchase and cancellation of \$30,313,478 face value of bonds.

LAND OPERATIONS.

Year	Acres Sold	Amount Realized	Bonds Cancelled
1906-7.....	555,567	\$1,705,809	\$2,049,500
1907-8.....	55,279	294,685	965,000
1908-9.....	80,464	446,885	991,000
1909-10.....	377,830	1,889,049	924,500
1910-11.....	84,594	1,053,202	725,000
1911-12.....	176,669	*5,374,764	5,595,500
1912-13.....	122,689	†1,633,282	460,500
1913-14.....	56,192	‡573,512	.....
1914-15.....	109,856	‡539,563	.....
1915-16.....	130,149	‡1,530,170	.....

*Includes \$4,060,000 received for land sold by the Southern Pacific R. R. to the Southern Pacific Land Co. This represented the former's entire holdings on March 5, 1912 (about 4,000,000 acres.)

†Estimated. ‡Amount realized from land sales not stated; the sum here given represents net receipts of land department for one year, including revenues from leases and pasturage.

The Sinking Fund operations of all companies leave a net balance on June 30, 1916, of \$13,135,360, consisting of cost of bonds purchased for investment and cash uninvested. The total receipts from the operation of the sinking funds to June 30, 1916, were \$42,407,092. Of this sum, \$29,990,800 was used in the purchase of bonds which were cancelled and \$12,508,314 was used

in the purchase of bonds of the Southern Pacific Co. and Proprietary Cos., which were held on June 30, 1916, as investments.

RAIL STATEMENT.

First and additional main tracks June 30, 1916, included:

19 miles of 116 to 164-lb. steel,	34 miles of 70 and 72-lb. steel,
20 miles of 96 and 91-lb. steel,	43 miles of 65 to 66-lb. steel,
3,257 miles of 90-pound steel,	1,264 miles of 62 to 60-lb. steel,
2,445 miles of 80-pound steel,	326 miles of 56 to 54-lb. steel,
3,062 miles of 76 and 75-lb. steel,	892 miles of lighter weights.

During fifteen fiscal years to June 30, 1916, heavy rail was laid in renewals as follows, the entire cost thereof having been charged to operating expenses, with the exception of a comparatively small amount charged in the latter years to additions and betterments, for increased weight of rail:

1900-1 to 1906-7....	3,475 miles,	1911-12.....	257 miles,
1907-8.....	304 miles,	1912-13.....	639 miles,
1908-9.....	541 miles,	1913-14.....	409 miles,
1909-10.....	758 miles,	1914-15.....	302 miles,
1910-11.....	483 miles,	1915-16.....	469 miles.

ELECTRIC LINES.

The Southern Pacific Co. is largely interested in traction lines in Oregon and California, the lines in the latter state extending for the most part from Los Angeles into a large radius of Southern California. The various companies which had been acquired were mostly consolidated September 1, 1910, under the name of Pacific Electric Ry. Co. All of the stock of the Pacific Electric Ry. is owned by the Southern Pacific Co. The traction lines controlled by the Southern Pacific Co. operated as of June 30, 1916, 780 miles of main track, 340 miles of second and additional main track and 158 miles of spurs and sidings.

The Gross Receipts of the Electric Lines for 1915-16 were \$1,003,715, and the Deficit after Operating Expenses, Fixed Charges (including \$3,030,723 interest on funded debt and \$667,389 interest on account with Southern Pacific Co.) amounted to \$1,253,309.

NEVADA-CALIFORNIA-OREGON RY.

See Table, page 191.

The gauge of this road is 3 feet.

The preferred stock has priority over the common for 5% non-cumulative annual dividends. After the common stock has received 5% both issues share ratably. Dividends have been paid in recent years, as follows:

	'06	'07	'08	'09	'10	'11	'12	'13 to '16
Preferred	3	4	5	5	5	3	2	0
Common	0	0	0	1	1	0	0	0

As of *June 30, 1915*, main track contained 231 miles of 40-pound rail, 9 miles of 35-pound rail and 32 miles of 30-pound rail.

The balance sheet of *June 30, 1916*, showed Current Assets of \$76,870 (not including \$79,000 company's bonds owned), and Current Liabilities of \$67,053. Profit and Loss showed a credit of \$52,-533 and total Corporate Surplus showed credits aggregating \$576,572.

NORTHWESTERN PACIFIC R. R.

See Table, page 192.

This railway extends from San Francisco (ferry connections) northward to Eureka and Trinidad, Cal. Several branches have been completed or are under construction. The mileage operated *June 30, 1916*, totalled 507 miles.

No dividends are paid on the \$35,000,000 stock of this company, one-half of which is owned by the Southern Pacific Co. and one-half by the Atchison, Topeka & Santa Fe Rv.

The company has outstanding \$3,621,000 San Francisco & Pacific Ry. First Mortgage 5% bonds, \$934,000 California Northwestern Ry. 5% bonds due 1928, and \$23,196,000 4½% First and Refunding Mortgage bonds (N. W. P. R. R.). Of these latter bonds, \$23,032,000 are owned by the Southern Pacific Co. and the balance by the "Atchison."

Current Assets, *June 30, 1916*, \$811,022; Current Liabilities, \$836,-393.

TONOPAH & GOLDFIELD R. R.

See Table, page 193.

The preferred stock of this company is entitled to non-cumulative dividends of 7% per annum. After the common stock has received a dividend of 7% in any year both issues share alike in any further division of profits for such year.

Dividends on the two classes of stock have been paid as follows:

	1906	1907	1908-11	1912	1913	1914	1915	1916
Preferred Stock	27%	10%	None	7	7	7	7	7
Common Stock	27%	10%	None	3	7½	7	7	7

As of *June 30, 1916*, Current Assets (including \$450,000 Demand Loans and Deposits) amounted to \$597,768. Current Liabilities were \$70,864. Through the operation of a Sinking Fund, the funded debt has been reduced \$619,000 since *June 30, 1907*.

COPPER RANGE R. R.

See Table, page 194.

This railroad extends from Calumet, Mich., to Mass City, Mich., with branches extending to various mining districts. The principal

commodity is copper ore, although a comparatively large amount of freight and passengers is handled.

Of the \$4,244,300 stock outstanding, December 31, 1915, \$1,639,200 was in the treasury of the Copper Range Consolidated Co. (which controls the Copper Range Co., the Atlantic Mining Co., the Baltic Mining Co., the Champion Mining Co., etc.). Likewise, of the \$2,280,000 First Mortgage 5% bonds (due 1949), outstanding, \$870,000 were held by the Copper Range Consolidated Co. The Copper Range Co., a subsidiary of the Copper Range Consolidated Co. owns the balance (\$2,605,100), of the stock of the Railroad.

In 1909 a dividend of 10% was paid.

DULUTH, SOUTH SHORE & ATLANTIC RY.

See Table, page 195.

The preferred stock is entitled to non-cumulative dividends of 6% per annum. No dividends have been paid.

As of June 30, 1916, the Canadian Pacific Ry. owned \$6,100,000 common and \$5,100,000 preferred stock of this road, \$15,107,000 (the entire issue) of Consolidated Mortgage 4% bonds and \$3,000,000 (the entire issue) of Income Certificates. The \$3,000,000 Income Certificates matured December 31, 1912. They were not paid off and on June 30, 1916, were carried among Current Liabilities.

As of June 30, 1916, the balance sheet of the Duluth, South Shore & Atlantic Ry. showed Matured Interest Unpaid (due to the Canadian Pacific Ry.) \$9,242,195. Current Assets on that date amounted to \$1,514,179, and Current Liabilities (including Matured Interest Unpaid and \$3,000,000 Income Certificates Unpaid) amounted to \$13,181,632. There was a debit balance to Profit and Loss of \$6,052,325. An additional \$950,000 was due the Canadian Pacific Ry. and was carried in the D. S. S. & A. Ry. balance sheet as Non-Negotiable Debt to Affiliated Companies.

The freight handled by this company consists mainly of Ores and Forest Products.

The Duluth, South Shore & Atlantic Ry. controls the Mineral Range R. R., by ownership of a majority of its capital stock.

CANADIAN NORTHERN RY. SYSTEM.

See Table, page 196.

The Canadian Northern Ry. System is a consolidation of the Canadian Northern Ry. and its various subsidiaries, the total operated mileage as of June 30, 1916, totalling 9,296 miles. The main line traverses the continent from tidewater on the east, at Quebec, through the Provinces of Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Colombia, to tidewater on the Pacific at Van-

couver and Victoria by car ferry, with branches gridironing the grain-growing Provinces of the West and the main industrial sections of the East. Connections with Great Lakes ports are also afforded. Among the important cities along the line are Quebec, Montreal, Ottawa, Toronto, Kingston (via branch), Port Arthur, Duluth (via Duluth, Winnipeg & Pacific Ry. Division) Winnipeg, Prince Albert, Sask., Battleford, Sask., Edmonton, Alb., Calgary, Alb. (via branch), Vancouver, B. C., and Victoria, Vanc.

The main line on the East is to be extended to Pugwash and St. John, N. B., the latter an important winter port. Here connections via car ferry, will be afforded at Port Wade, N. S., with the Middleton-Port Wade, Division of the Halifax & Southwestern Ry. (now operated as a direct part of the Canadian Northern Ry. System). This will give the Canadian Northern Ry. System access to Halifax, N. S. The Halifax & Southwestern line operates 381 miles all located in the Province of Nova Scotia. Its main line extends from Halifax, via Bridgewater and Liverpool to Yarmouth (248 miles). Lines are to be constructed, if plans materialize, to Hamilton, Ont., and Buffalo, N. Y.; from The Pas, Manitoba, to York Factory on Hudson Bay; from near Bengough, in southern Saskatchewan, westward to near Lethbridge, Alberta, etc. The through line, Quebec to Vancouver, was opened late in 1915. The maximum gradient of the Rocky Mountain Section is $7/10$ of 1% and of other sections $1/2$ of 1%, a standard of construction having been followed "that would forever obviate the necessity for grade improvements."

Of the \$100,000,000 stock of this company, \$40,000,000 is owned by the Canadian Government. No dividends have ever been paid. Of the \$75,429,500 stocks of Affiliated Companies, \$69,557,400 are owned.

Among the principal loans outstanding June 30, 1916, were the following:

(1) Guaranteed Principal and Interest by the Canadian Government:

3% 1st Mtge.-Debenture Stock.....	\$9,359,997
3½% 1st Mtge. Debenture Stock.....	7,896,590
4% Debenture Stock	*17,033,333

(2) Guaranteed by Province of Manitoba:

4% Debentures and Bonds (various)	\$24,041,866
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(3) Guaranteed by Province of Saskatchewan:

4% 1st Mortgage Debenture Stock.....	\$8,030,000
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(4) Guaranteed by Government of Alberta: 4%

First Mortgage Debenture Stock.....	\$5,586,666
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(5) Not Guaranteed:

4% Perpetual Consol. Deb. Stock.....	\$46,983,016
4% Land Grant Bonds.....	4,217,740
5% Land Mortgage Debentures	7,300,000
Secured Notes	29,500,333

(6) Funded Debt of Affiliated Companies:

Can. Nor. Alberta Ry. 1st M. Deb. Stock (3½%).....	*\$3,149,999
Can. Northwestern Ry. 1st M. Deb. Stock (4½%).....	†9,224,000
Can. Nor. Pac. Ry. 1st M. Deb. Stock (4½%).....	‡16,412,001
Can. Nor. Pac. Ry. Terminal Deb. Stock (4½%).....	‡8,614,000
Can. Nor. Ontario Ry. 1st M. Deb. Stock (3½%).....	*34,229,997
Can. Nor. Ontario Ry. 1st M. Deb. Stock (3½%).....	**7,859,998
Can. Nor. Ontario Ry. Perpetual Deb. Stock (4%).....	**8,883,638
Can. Nor. Quebec Ry. Perpetual Deb. Stock (4%).....	5,250,369
Can. Nor. Quebec Ry. Gt. N. Ry. of Can. Bonds (4%)..	3,505,750
Quebec & Lake St. John Perpetual Deb. Stock (4%)...	4,359,015
Duluth, Winnipeg & Pac. Ry. 1st M. Deb. Stock (4%)..	7,011,324
Halifax & S. W. Ry. 1st Mtge. Bonds (3½%).....	4,447,000
Qu'Appelle, Long Lake & Sask. Ry. & Steamboat Co. Deb. Stock (4%)	5,051,463

*Guaranteed by Dominion of Canada. †Guaranteed by Province of Alberta. ‡Guaranteed by British Columbia. **Guaranteed by Province of Ontario.

(7) Canadian Northern Ry. Income Bonds:

Income Charge Conv. Deb. Stock (5%).....	*\$25,000,000
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*Income not paid during 1914-15 or in 1915-16.

A large amount of interest on the various bond issues was during 1915-16 charged to construction.

In May, 1916, the Canadian Government voted a call loan of \$15,000,000 at 6% secured by mortgage to provide "for expenditures made or to meet indebtedness incurred in paying interest upon securities of the companies included in the Canadian Northern Ry. System, having priority over the securities guaranteed by the Government under the legislation of 1914, and installments of principal for equipment securities and upon construction."

LAND DEPARTMENT.

Land sales during 1915-16 were 19,443 acres for \$318,248 (\$16.37 per acre). \$272,533 Land Grant Bonds were retired during 1915-16. The Canadian Northern Ry. and its Subsidiaries owned as of June 30, 1916, approximately 3,255,000 acres of unsold land valued at \$19,855,485. The Surplus in the land account as shown on the Company's books was \$39,046,748.

Current Assets, June 30, 1916, including \$20,899,687 cash held account of the Canadian Government, the Provinces, etc., were \$35,-345,840. Current Liabilities totalled \$12,994,152.

GENERAL.

There has been organized in the interest of this company, the Canadian Northern Steamships, Ltd., to build and operate steamships on the Atlantic Ocean, and ultimately on the Pacific Ocean. A line of this company's steamers is now in operation between Montreal and Quebec, and Bristol, England. The \$2,000,000 stock and \$2,920,000 5% Debenture stock is owned by the Canadian Northern Ry.

The company is constructing a line to the Brazeau River coal fields in the Province of Alberta. A company subsidiary to the Canadian Northern Ry., to be known as the Brazeau Collieries Co., has been incorporated to develop these coal properties, which are said to be very extensive and valuable.

CANADIAN PACIFIC RY.

See Table, page 197.

The preference stock is limited to non-cumulative dividends of 4% per annum. Dividends at the rate of 10% per annum (February, 1917), are being paid quarterly on the ordinary stock beginning January, of which, however, 3% represents an extra dividend payable from "special income," that is, dividends and interest received including interest on land sales; during 1910, the regular rate was 7% with 1% extra; prior to 1910, the regular rate was 6% with 1% additional.

Common stockholders were offered the right to subscribe in 1914, to \$52,000,000 6% Note Certificates, due 1924, callable at par and interest in any amount on 60 days' notice. Holders of each \$100 common stock had the right to purchase \$20 of these Note Certificates at 80% of par value.

The railway has established a trust fund to be known as the Canadian Pacific Ry. Co.'s Special Investment Fund "to consist of the amounts due on deferred payment of land heretofore sold and securities in which the proceeds of land sales have been invested, amounting to about \$55,000,000." The funds accruing from lands heretofore sold and the interest thereon and from securities in which the proceeds of land sales have been invested, are to be set aside and utilized in so far as may be necessary or shall be supplemented by the company if necessary, to effect the payment of principal and interest on these Note Certificates.

CONTROL OF OTHER BAILWAYS.

See under Wisconsin Central Ry. for particulars regarding the purchase of control of that company by the Minneapolis, St. Paul & Sault Ste. Marie Ry.

The Canadian Pacific Ry. owned on June 30, 1916, a majority (\$6,361,800 preferred and \$12,723,500 common) of the stock of the Minneapolis, St. Paul & Sault Ste. Marie Ry.; also owned \$3,993,000 bonds of that company. The Canadian Pacific Ry. guarantees interest on practically all of that company's bonds.

As of June 30, 1916, the Canadian Pacific Ry. owned \$29,307,300, a majority of the bonds and stocks of the Duluth, South Shore & Atlantic Ry. See that road.

The total par value of securities owned by the Canadian Pacific Ry. as of June 30, 1916, was \$166,558,416.

CAPITAL STOCK SOLD.

During the twelve fiscal years to June 30, 1916, the Canadian

Pacific Ry. sold stock and Debentures as follows and received therefrom approximately the amounts below:

	Par Value	Realized
Ordinary stock	*\$175,500,000	\$242,595,455
Preference stock	£9,900,395	47,154,909
Consol. Debenture stock ...	£22,403,965	110,732,633
Total		<u>\$400,482,997</u>

**Includes \$18,000,000 stock sold to stockholders in 1911-12 at \$150 per share. Includes also \$60,000,000 stock sold in 1912-13 at \$175 per share and \$2,000,000 stock sold in 1912-13 for \$4,860,822. See a following paragraph.*

The proceeds of the sales of stock were used for equipment, improvements, construction, and to cover the cost of steamships, and for acquisition of its own bonds and bonds of other companies, and for other purposes.

On June 30, 1902, there was outstanding \$65,000,000 ordinary stock. Since that date the company has sold ordinary stock as follows (all to stockholders, with the exception of \$3,984,000 stock sold in February, 1909, and \$2,000,000 stock sold in 1912-13):

When Sold	Amount	Price
1902-3.....	\$19,500,000	Par
1904.....	16,900,000	Par
1906.....	20,280,000	Par
1908.....	24,336,000	Par
1909.....	3,984,000	Market
1909.....	30,000,000	\$125
1912.....	18,000,000	150
1913.....	60,000,000	175
1912-13.....	2,000,000	Market
	<u>\$195,000,000</u>	

LANDS OWNED.

As of June 30, 1916, the Canadian Pacific Ry. owned, directly and indirectly, 7,870,056 acres of land unsold, valued at \$127,129,136, but not carried in the balance sheet.

Total sales of land (all grants) for the past ten fiscal years have been:

	Sales	Realized
Year 1906-7.....	994,840 acres	\$5,887,377
Year 1907-8.....	164,450 "	1,569,165
Year 1908-9.....	376,046 "	5,085,517
Year 1909-10.....	975,030 "	14,468,564
Year 1910-11.....	650,874 "	9,558,427
Year 1911-12.....	669,639 "	10,710,143
Year 1912-13.....	474,798 "	7,487,268
Year 1913-14.....	259,371 "	4,618,420
Year 1914-15.....	231,297 "	3,742,115
Year 1915-16.....	390,715 "	*6,126,108

**\$15.68 per acre.*

See page 20 of report.

To *June 30, 1913*, a total amount of \$111,470,233 net had been received by the company from sales of land. Of this amount \$11,942,427 had been expended on irrigation, and \$36,193,521 had been expended in construction of railway and equipment and deducted from cost of property.

The deferred payments on land and town site sales were, on *June 30, 1916*, \$51,050,524. These deferred payments draw interest at 6%.

GENERAL.

In 1910-11, practically all of the stock of the Dominion Atlantic Ry. was purchased at a cost of \$1,066,512. A large amount of this company's debenture stock is also owned. This company operates a line of railroad in the Province of Nova Scotia, extending from Yarmouth to Truro, and Windsor Jc., with branches and with trackage privileges to Halifax (total 292 miles).

On *June 30, 1916*, the Canadian Pacific Ry. operated 384 miles of road (not including M. St. P. & S. S. M. and D. S. S. & A.) whose operations were not included in Canadian Pacific Ry. returns.

The Canadian Pacific Ry. either owns, leases, operates, has under construction or controls, directly or indirectly, 18,233 miles of railway (*June 30, 1916*).

A comparison of Equipment in service *June 30, 1916*, and amount in service *December 31, 1899*, shows:

	1916	1899
Locomotives	2,255	690
Passenger Equipment, etc.	2,781	773
Freight Equipment, etc.	87,100	19,367
Other Equipment	8,287	682
Ocean, Lake and River Steamers.....	76	32

FINANCIAL CONDITION.

As of *June 30, 1916*, Working Assets (including \$11,814,584 material and supplies and \$41,581,681 cash), amounted to \$69,738,327 as compared with \$16,042,884 Current and Accrued Liabilities. Active and Inactive Assets (including certain lands, buildings, coal areas, natural gas and petroleum rights, etc.), were carried at \$127,129,136. Among the Liabilities were included \$24,801,796 Reserves and \$68,255,803 net proceeds lands and town sites.

The balance sheet items, Cost of Railway and Equipment, stood at \$506,577,265 on *June 30, 1916*. Cost of Ocean, Lake and River Steamships stood at \$24,211,713.

On *June 30, 1916*, the Canadian Pacific Ry. held \$157,622,525 par value of bonds and stocks of leased lines and other companies at a cost of \$111,793,715.

INTEREST IN STEAMSHIPS.

The steamships and steamship property of the Canadian Pacific Ry. valued, *June 30, 1915*, at \$23,500,000, are to be taken over and

operated by the Canadian Pacific Ocean Services, Ltd. The Canadian Pacific Ry. will receive from the Steamship Co. £1,962,910 stock and £2,865,860 5% First Debentures. Owing to the unusual conditions brought about by the War this action has been postponed.

GRAND TRUNK RY. OF CANADA.

See Table, page 198.

The first preference stock is entitled to 5% per annum after payment of dividend on the 4% guaranteed stock. The second preference stock and the third preference stock are entitled to 5% per annum and 4% per annum respectively in order of priority as mentioned.

Dividends have been paid during the past twelve years as follows:

Stock		'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16
Guaranteed	%	4	4	4	4	4	4	4	4	4	4	4	4
First pfd.	%	5	5	5	5	5	5	5	5	5	0	0	2½
Second pfd.	%	5	5	5	2½	5	5	5	5	5	0	0	0
Third pfd.	%	2	3	3	0	0	½	1½	2½	2½	0	0	0

CONTROL OF OTHER RAILWAYS.

This company owned on June 30, 1916, \$2,191,100 stock and \$1,583,300 First Mortgage 4% bonds of the Central Vermont Ry. Co. See latter company as to traffic contract with reference to the guaranty of its bonds.

The Grand Trunk Ry. owns the entire or majority capital stock of the following lines operated separately:

	Miles Operated
Grand Trunk Western Ry	347
Detroit, Grand Haven & Milwaukee Ry.....	191
Toledo, Saginaw & Muskegon Ry.....	96
Central Vermont Ry.....	531
Pontiac, Oxford & Northern Ry.....	101

See Toledo, St. Louis & Western R. R. as to joint ownership and joint guaranty by the Grand Trunk Western Ry. of bonds of the Detroit & Toledo Shore Line (79 miles operated).

Upon completion of the contemplated lines to be constructed by the Grand Trunk Pacific Ry. and the Grand Trunk Pacific Branch Lines Co., the Grand Trunk Ry. of Canada will own or control a total of about 14,000 miles of railway with eastern terminals at Halifax, St. John's, N. B., Portland, Me., New London, Conn., and possibly at Providence, R. I. The system furthermore operates or will operate into Buffalo, Detroit, Toledo, Chicago, Quebec, Montreal, Toronto, Ottawa, etc., in the east and middle west. In the

west the system will operate into Winnipeg, to Hudson Bay, to Vancouver, Victoria and Prince Rupert on the Pacific Coast, and to Dawson, Yukon.

The deficit of the Grand Trunk Western Ry., the Toledo, Saginaw & Muskegon Ry., and of the Detroit, Grand Haven & Milwaukee Ry. for the year 1915 is included in the Fixed Charges as given in the income account on the statistical page in this book.

\$16,000,000 4% Consolidated First Mortgage bonds dated 1905, of the Canada Atlantic Ry. are guaranteed as to principal and interest by the Grand Trunk Ry. The Grand Trunk Ry. acquired the Canada Atlantic Ry. in 1905. In 1914 the lines were merged.

In April, 1910, the Southern New England R. R. was chartered with \$3,000,000 stock and \$6,000,000 bonds authorized, to build a line from Palmer, Mass. (on Central Vermont Ry.), to Providence, Rhode Island, where, it was announced, extensive docks and terminals would be constructed. Work on this extension has been given up, at least for time being.

Under date of November 1, 1915, the Grand Trunk Ry. of Canada sold \$4,000,000 2-year 5% Notes, secured by \$5,254,632 (131%) and convertible into \$4,800,000 (120%) Grand Trunk Pacific Ry. 4% bonds due 1962, guaranteed principal and interest by the Canadian Government.

GRAND TRUNK PACIFIC RY.

This new transcontinental railway across Canada has received the approval of the Canadian Government, and is being carried through the joint financial support of the Government and the Grand Trunk Ry. Co. of Canada. It will consist of a main line of estimated length of about 3,549 miles from Moncton, N. B., to Prince Rupert, B. C., a point on the Pacific Coast, together with the Lake Superior Branch (188 miles), and about 1,000 miles of additional branch lines.

The Eastern Division built by the Canadian Government, about 1,804 miles, Moncton, N. B., via Quebec to Winnipeg, is leased for 50 years to the Grand Trunk Pacific Ry. Co.—for first seven years at cost of operating only, and for remaining 43 years at 3% on cost of construction, but under more favorable conditions in the event that this line does not at once pay. The Eastern Extension is known as the National Transcontinental Ry. Moncton and Winnipeg are now in direct rail connection. The line, however, has not been fully ballasted, etc. This section of the transcontinental system is at present being operated by the Canadian Government.

The balance of the road is being built by the company, viz.: the Western Division (consisting of the Prairie Section and the Mountain Section) and Lake Superior Branch, etc.

PROGRESS IN CONSTRUCTION.

Late in 1914, the main line of the Grand Trunk Pacific Ry. had been completed from Winnipeg to Prince Rupert, British Columbia (1,746 miles).

The maximum gradient is 4-10 of one per cent. per mile, with easy curvature, bringing the line, it is claimed, to a higher standard than any transcontinental railway so far constructed. It will be a shorter route by several hundred miles than any now existing between Europe and the Orient.

Branch lines have been completed from Melville, Sask., to Canora, Sask. (56 miles), later to be constructed to Ft. Churchill on the Hudson Bay; also from Melville, Sask., to Regina, Sask. (98 miles), thence to Northgate on the International Boundary line. An extension from Regina, Sask., via Moose Jaw, Sask., to Dewar Lake is largely completed. There are also under construction, or have been completed, extensions from Tofield, Alta., to Calgary, Alta. (in operation), with a projected extension later on to Coutts, on the boundary between the United States and Canada, and another to the Crows Nest Pass coal fields in British Columbia and to Dawson, Yukon; from a point near the McLeod River on the main line west of Edmonton, Alta., northwestward to the boundary with British Columbia; also from Young to Prince Albert; Oban to Battleford, Carruthers and the Bickerdike Coal Fields, etc.; Harte to Brandon; making with the addition of several branch lines in the eastern section an approximate total of 1,000 miles of branch lines completed or under construction.

Fleets of modern steamships will be established by the company for ocean navigation on the Atlantic and Pacific Oceans.

The authorized stock of the Grand Trunk Pacific Ry. is \$45,000,000 (including \$20,000,000 preferred, not outstanding), of which \$24,940,000 (common) was owned by the Grand Trunk Ry. of Canada, on June 30, 1916.

In 1906, the creation of \$25,000,000 of Perpetual Debenture stock of the Grand Trunk Pacific Ry. was authorized, for the purpose of providing funds for the equipment of the line, etc. Of this Debenture stock, \$5,000,000 each was sold in 1907, 1908, 1909 and 1910. The last sale was made at 92½. The stock is guaranteed by the Grand Trunk Ry. of Canada and is redeemable at 105 after 1936.

In 1913 another issue of \$25,000,000 of Perpetual Debenture Stock was authorized. £3,136,980 of this stock was offered for sale during the fiscal year 1912-13.

Under date of March 2, 1914, £2,000,000 5% seven-year Notes of the Grand Trunk Pacific Ry. were offered for subscription in London. A large portion of the issue was sold. The Notes are secured by deposit of £3,000,000 4% Debentures and are guaranteed by the Grand Trunk Ry.

Among other important bond issues of the Grand Trunk Pacific Ry. are the following:

First Mortgage 3% guaranteed by Canadian Government	£14,000,000
Prairie Section 4% guaranteed by Grand Trunk Ry.....	2,100,000
Lake Superior Div. 4% guaranteed by Grand Trunk Ry...	1,550,000
Mountain Section 4% guaranteed by Grand Trunk Ry...	2,050,000
Debenture Stock 4% guaranteed by Grand Trunk Ry.....	7,136,980
Branch Lines 1st M. 4% guaranteed by Prov. of Alberta	738,600
Branch Lines 1st M. 4% guaranteed by Prov. of Sask...	2,032,800
Secured Gold Notes due 1921 guar. by Grand Trunk Ry.	2,000,000
Loans due 1919 4% guaranteed by Grand Trunk Ry.....	\$10,000,000
Loans due 1923 4% guaranteed by Grand Trunk Ry.....	15,000,000
Dominion Loans 5% and 6%	14,000,000

QUEBEC CENTRAL RY.

See Table, page 199.

Dividends of 4% per annum were paid on the common stock of this company in 1915-16, 1914-15, 1913-14, 1912-13 and in 1911-12, as against 3% paid in 1910-11 and 2% paid in 1909-10. Beginning July 1, 1916, the rate has been increased to 5%.

The company had outstanding on June 30, 1916, the following securities: First Debenture stock, 4%, \$2,943,540; Second Debenture stock, 3½%, \$1,644,933; third Mortgage bonds, 5%, \$1,644,933; common stock, \$3,381,603.

Effective January 1, 1913, the Canadian Pacific Ry. leased the Quebec Central Ry. for 999 years. By the terms of the agreement to lease the property, the Canadian Pacific Ry. agreed to guarantee the payment of principal and interest on the 4% First Debenture stock; and offered in exchange for the 3% Second Debenture stock, then outstanding, par in 50-year 3½% Debenture stock, guaranteed as to principal and interest; 50-year guaranteed 5% bonds and a cash bonus of 10% was offered in exchange for the 7% Income bonds; and a guarantee of dividends at 4% per annum for the first four years from July 1, 1912, and at 5% per annum thereafter, was offered to the stockholders.

The mileage operated on June 30, 1916, was 258 miles, and further extensions have been chartered or are contemplated, including a line into Quebec.

As of June 30, 1916, Current Assets (including \$262,031 cash and \$151,459 fuel, material and supplies) totalled \$480,942 as against Current and Accrued Liabilities amounting to \$389,921.

TORONTO, HAMILTON & BUFFALO RY.

See Table, page 200.

The stock of this company is owned by the following named companies: New York Central R. R., \$1,304,600; Michigan Central R. R., \$627,200; Canadian Pacific Ry., \$749,600, and Canada South-

ern Ry. (Michigan Central R. R.) \$624,960. The New York Central R. R. and the Michigan Central R. R. are also owners of \$372,000 and \$357,000 of this company's Second Mortgage 4% bonds (\$1,000,000 outstanding), while the Canadian Pacific Ry. holds \$271,000 of these bonds.

In October, 1912, a cash dividend of 20% was paid. At the same time \$1,000,000 additional stock was issued and sold at par to pay for improvements. From October, 1913, to July, 1914, quarterly dividends of 1½% were paid. In October, 1914, the dividend was passed. In January, 1917, dividends were resumed, 1¼% having been paid.

The First Mortgage 4% bonds of this company, of which \$3,280,000 are authorized and outstanding, are guaranteed as to interest under an agreement entered into by the companies in control, which provides that, if necessary, they will set aside, to meet the interest, 25% of their gross earnings derived from interchange of traffic with the Toronto, Hamilton & Buffalo Ry.

As of December 31, 1915, Working Assets were \$690,228 as against Working Liabilities (including \$1,150,000 Loans and Bills Payable), \$1,474,225.

CUBA R. R.

See Table, page 201.

This railroad is controlled by the Cuba Co. through ownership of the entire common stock.

The amount of common stock outstanding is \$15,000,000. This includes \$3,874,000 stock issued to the Cuba Co. in 1912-13, this amount having become due to the latter company upon completion of the railroad, together with two stock dividends, one of \$2,000,000 paid January 3, 1916 and one of \$3,000,000 paid June 30, 1916. An initial dividend of 4% was paid on the common stock May, 1913. In May, 1914, common stock was placed on a 6% basis by payment of a semi-annual dividend of 3%. The 6% rate has since been maintained. The preferred stock is entitled to 6% per annum non-cumulative dividends. An initial semi-annual dividend of 1½% was paid on the preferred stock in August, 1909; 3% was paid in 1909-10; also 4% in 1910-11, 5% in 1911-12 and 6% in 1912-13, in 1913-14, 1914-15 and 1915-16.

The First Mortgage bonds of the Cuba R. R. mature July 1, 1952, bear interest at 5%, and may be issued at \$20,000 per mile. \$12,030,000 of these bonds were outstanding on June 30, 1916.

The surplus to the credit of Profit and Loss as of June 30, 1916, was \$1,697,902. Current Assets as of that date (including \$1,691,572 cash) were \$2,321,621, and Current Liabilities amounted to \$1,620,023.

An issue of Improvement and Equipment 5% bonds was authorized in June, 1910, to be issued in amounts not to exceed \$12,000

per mile of main track. In 1912, \$4,000,000 of these bonds were sold, and the proceeds used to retire \$2,000,000 6% 2-year Notes due August 15, 1912, and for extensions, etc.

Under date of December 9, 1915, an issue of \$3,000,000 3-year 5% Gold Notes was authorized, the proceeds being used to finance the purchase of the Camaguey & Nuevitas R. R., carrying with the purchase a concession for the construction of a line from Camaguey to Santa Cruz del Sur (61 miles). Plans have been laid for the extension of this railroad to a new deep-water terminus on the Bay of Nuevitas.

From 1905 to 1916 there has been an increase in Gross Receipts of 562% and in Net Earnings of 1,022%.

This railway's main line extends from Santiago westward to Santa Clara (356 miles), where connection is afforded with the lines of the United Rys. of the Havana & Regla Warehouses, the two lines forming a through route from Santiago to Havana. Branches extend to Manzanillo, Antilla and to other important places. Total mileage operated June 30, 1916, 619 miles; under construction 39 miles.

CUBAN CENTRAL RYS.

See Table, page 202.

This company (registered in 1899) as of June 30, 1916, operated 353 miles of railway located in the central part of the Island of Cuba.

The dividends paid by this company during recent years have been as follows:

	'00-01	'01-03	'03-12	'12-13	'13-14	'14-16
Preference %..	5½	5½	5½	5½	5½	5½
Ordinary % ...	1	0	2	3	2	4

As of June 30, 1916, the capitalization of the company authorized and outstanding was as follows:

	Authorized	Issued
Preference Shares (5½% cum.)	£1,400,000	£1,400,000 \$6,000,000
Ordinary Shares	900,000	900,000 4,500,000
Debenture Bonds (4½%)	1,000,000	*887,300 *4,436,500
Debenture Stock (5%)	1,300,000	1,178,000 5,890,000

*Of which amount £142,000 (\$710,000) has been redeemed by Sinking Fund.

The par value of the Preference and Ordinary Shares is £10. The Preference Shares have the priority as to capital. The (Mortgage) Debenture Bonds and the Debenture Stock are redeemable at 110 on 6 months' notice.

The balance sheet of the Company as of June 30, 1916, showed a

considerable margin of Current Assets over Current Liabilities, also large Reserve Funds.

The sum of £90,000 was transferred to various Reserve Accounts during 1915-16 and £5,000 was transferred to Pension Account.

Late in 1913 the United Rys. of the Havana & Regla Warehouses offered £7 10s of their Ordinary Stock carrying dividends from July 1, 1913, for each £10 Ordinary Share of the Cuban Central Ry. carrying dividend due July 1, 1913. About 84,000 of the 90,000 shares were acquired up to January, 1914. Subsequently the United Rys. offered £10 in its preference stock and 10s in its common stock for each £10 share of Cuban Central Ry. preference stock.

During 1915-16 the railway handled 2,680,542 tons of sugan cane, 569,205 tons of sugar, 139,794 tons of molasses, 25,303 tons of tobacco, 202,145 tons of building material, etc.

GUANTANAMO & WESTERN R. R.

See Table, page 203.

- This company, controlled in the interests of the Guantanamo Sugar Co., is the successor by reorganization to the Cuba Eastern R. R., Cuba Eastern Terminal, Northeastern Cuba R. R. and Eastern R. R. of Cuba, foreclosed in 1909. The line is located in the eastern part of Cuba and extends from Boqueron on the south coast via Guantanamo to a connection with the Cuba R. R. at San Luis. A 7-mile branch to sugar mills and estates is under construction. The estimated cost of this branch is \$143,500.

The First Mortgage 6% bonds, \$600,000 of which are outstanding, mature 1929. They were offered for subscription at the date of the reorganization at 85, with a bonus of 25% each in new common and preferred stock. \$429,500 Two-Year Redeemable 6% Notes were outstanding June 30, 1916.

The first preferred stock and the second preferred stock are entitled to dividends of 7% and 5% per annum respectively in priority to the common stock. After the common stock receives in any year 5% all classes of stock share pro rata in further dividends. No dividends are paid, \$2,463,000 first preferred stock and \$2,463,000 common stock were issued as per plan of reorganization (1909), and offered in exchange for \$4,927,000 bonds of the former operating companies (see above). All bondholders received \$500 each in new common and first preferred stock for each \$1,000 bond owned. \$110,500 (entire outstanding amount) of second preferred stock was issued in exchange of \$221,000 Debentures.

As of June 30, 1916, Current Assets amounted to \$306,983, and Current Liabilities (including \$319,641 Loans and Bills Payable), were \$380,413.

UNITED RYS. OF THE HAVANA & REGLA WARE-
HOUSES, LTD.

See Table, page 204.

The preference stock of this company is limited to cumulative dividends of 5% per annum. 5% dividends were paid on this class of stock for years to and including 1915-16. $4\frac{1}{2}\%$ was paid on the ordinary stock in 1911-12. In 1912-13 the dividend rate on the ordinary stock was increased to 5%. The 1913-14 dividend (5%) was paid in 5% Debenture Stock. In 1914-15 and 1915-16 the 5% dividends were paid in cash. No dividends were paid on the deferred ordinary stock, this class of stock not being entitled to dividends until 8% shall have been paid on the ordinary shares (non-cumulative), after which the two classes share pro rata in any available surplus. Additional deferred ordinary stock to the amount of £94,304, is reserved to acquire additional shares of the Havana Central R. R. (acquired 1907). £7,228 preference stock and £24,131 ordinary were as of June 30, 1916, reserved to acquire additional stock of other companies (see following), and £706,344 preference, £10,940 deferred ordinary and £299,969 ordinary stock has been authorized but has not been issued.

Debenture and Debenture Stock issues of this company at June 30, 1916, were as follows: 5% "A" Irredeemable Debenture Stock, £380,000; 5% Consolidated Irredeemable Debenture Stock, £1,425,900; 5% Irredeemable Debenture Stock (1906), £3,004,669 (an additional £119,100 are reserved to redeem a like amount of bonds of the Old Company and £427,957 remain unissued); 4% Redeemable Debentures and Debenture Stock, £1,281,455 (£7,217 additional Debentures are available for exchange of Havana Central R. R. 5% bonds and £34,428 are unissued); $4\frac{1}{2}\%$ Redeemable Debentures, £988,750.

The United Rys. of the Havana & Regla Warehouses, Ltd., was incorporated in 1898, and has since acquired: (1) in 1906, the Cardenas & Jucaro Ry.; (2) in 1906, the Matanzas Ry.; (3) in 1907, the Havana Central R. R.; (4) in 1911-12, the Western Ry. of Havana, Ltd.; (5) in 1913-14 the Cuban Central Rys. The consolidated company operates the largest railway mileage in the Island of Cuba; its gross receipts are likewise considerably the largest. The main line extends from Havana to Santa Clara (176 miles), where connection is made with the Cuba R. R. main line, affording a direct route from Havana to Santiago and other eastern points. Lines extend to all of the important cities in the western portion of the island connecting Havana with Cardenas, Matanzas, Cienfuegos and other important points. The Western Ry. of Havana, Ltd. (acquired 1911-12), extends from Havana to Guane near the western end of the island with branches (147 miles).

To acquire the £1,100,000 stock of the Western Ry. of Havana, Ltd., the United Rys. of Havana offered £4 15s. of 5% cumula-

tive preferred stock and £10 of ordinary stock for each £10 share of the former. 98.51% of the total stock was thus acquired. The Western Rys. of Havana paid a 7% dividend in 1916.

On January 1, 1915, a car ferry was placed in operation between Havana and Key West, Fla., affording through freight train connections between the United States and Cuba. The amount of traffic has been sufficient to warrant building another ferry steamer which was completed about November 1, 1916 (\$829,545 gross business was handled by car ferry during 1915-16).

The balance sheet as of June 30, 1916, showed among the Assets, Investments at cost (including £296,785 Deferred Ordinary Stock of the company held by the Trustees for the 5% Irredeemable Debenture Stock), £5,483,592. This did not include £1,776,212 First Mortgage 5% bonds and stock of the Havana Central R. R. acquired by an issue of this company's 4% Debentures and Deferred Ordinary Stock at par. These securities are held as security for the 4% Debentures of the United Rys. There was also Cash, Stores, etc., on hand, Bills Receivable, etc., to an amount considerably in excess of Current Liabilities. The company's reserves amounted to the following:

Reserve Account	£700,000
Reserve for General Renewals	222,158
Pension Account	34,792
Insurance Account	30,000

The stockholders of the United Rys. of the Havana & Regla Warehouses in 1913-14, approved of the acquisition of the ordinary stock of the Cuban Central Rys. on the basis of £7 10s, United Rys. stock for each £10 Cuban Central Rys. stock. Likewise holders of this company's preference stock were offered an equal amount of United Rys. preference stock. £900,000 and £1,220,000 Cuban Central Rys. ordinary and preference stock was outstanding June 30, 1916, of which approximately 99% and 50% had been acquired by the United Rys. This company operates an important system of railways in Central Cuba (Cienfuegos to Esperanza, Sagua la Grande, Concha, etc., etc., 354 miles).

There was handled by the United Rys. in 1915-16, 8,466,467 tons of commercial freight and live stock (this total includes 6,118,983 tons of sugar cane and products), also 7,936,512 passengers (this total not including 1,106,442 ferry passengers).

(See Cuban Central Rys. and Western Rys. of Havana.).

WESTERN RY. OF HAVANA.

See Table, page 205.

This railway line extends from Havana in a southwesterly direction to Pinar del Rio, San Juan and Guane. This is the only railway serving the state of Pinar del Rio and it handles a con-

siderable volume of traffic (692,310 tons freight; 1,397,555 passengers, 1915-16).

There had been issued to June 30, 1916 £590,000 of an authorized issue of £733,333 $4\frac{1}{2}\%$ Debenture Stock. The proceeds of the Debentures were used largely to retire 6% Debentures.

The stock of the company received dividends at the rate of 7% per annum from 1905 to 1916 inclusive.

On November 18, 1911, the stockholders of the Western Ry. of Havana were offered by the United Rys. of the Havana & Regla Warehouses (which see), £4, 15s. in the latter's 5% cumulative preference shares and £10 in ordinary shares for each £10 share of the Western Ry. of Havana stock. Upwards of 98.5% of the stock was thus acquired by the United Rys. of the Havana & Regla Warehouses.

This company had as of June 30, 1916, a large balance of cash and Current Assets and was otherwise in excellent financial condition.

INTERNATIONAL RYS. OF CENTRAL AMERICA.

See Table, page 206.

This company was incorporated in April, 1912, and is a consolidation of the Guatemala Ry. (195 miles), the Guatemala Central Ry. (139 miles), the Occidental R. R. (51 miles), and the Ocos R. R. (22 miles). The company's lines as they at present exist extend from Puerto Barrios on the Caribbean Sea to Guatemala City (capital of Guatemala), 194.5 miles, thence to San Jose on the Pacific Ocean (74 miles), and from Mazatenango to Champerico on the Pacific Coast with a branch (51 miles). The company has also completed a line from Mariscal, on the Mexican frontier, to Las Cruces, where connections are afforded with a branch now in operation between the latter point and Santa Maria on the main line. From Santa Maria the line is being extended southeasterly to Santa Ana in Salvador. 97.5 miles of the Salvador division had been completed to December 31, 1915. When this and various other lines in Central America, which are being constructed by interests in control of this company are completed, a direct through route will be afforded between Vera Cruz in Mexico and Panama and Colon, extending along the Western portion of Central America through the five Republics of Guatemala, Salvador, Honduras, Nicaragua and Costa Rica; also Panama. A number of branch lines will be operated including two lines to the Atlantic Coast (in Guatemala and Costa Rica).

The International Rys. of Central America has assumed the obligations of the merged companies and has authorized \$30,000,000 common stock, \$10,000,000 5% preferred stock and £4,500,000 5% bonds, due 1972 (£1,000,000 issued in 1912). In August, 1912,

an initial quarterly dividend of $1\frac{1}{4}\%$ was paid on the (\$10,000,000) preferred stock. The 5% rate was maintained until November, 1914, when owing to the decrease of earnings, due to the outbreak of the European war, the dividend was passed. The preferred stock is entitled to share equally in all dividends paid in any year after 5% has been paid on both issues of stock.

In addition to £1,000,000 5% bonds sold in 1912, the company has issued \$3,500,000 Central Division Purchase Money bonds. These bonds are secured by a mortgage on the Guatemala Central R. R., subject to the latter's \$2,500,000 6% bonds due 1931, and bear interest at 5% per annum. A contract has been entered into with the United Fruit Co., whereby the railway will handle all the products of the Fruit Co., raised in the territory served by the railway.

The \$2,500,000 6% bonds of the Guatemala Central R. R. which matured in 1916 were extended to April 1, 1931 and the principal and interest thereon guaranteed by the International Rys. of Central America. \$1,788,000 of these bonds are owned by the Southern Pacific Co.

The balance sheet as of December 31, 1915, shows Working Assets \$850,664 and Working Liabilities \$488,064.

The stock and bonds of this company are listed on the London Stock Exchange.

PANAMA R. R.

See Table, page 207.

This railroad is controlled by the United States Government through stock ownership.

Dividends on the stock have been paid in recent years as follows: 1901, 2%; 1902 and 1903, 4%; 1904, $6\frac{1}{2}\%$; 1905, 5%; none since. The Surplus Earnings for 1912-13 as reported (\$2,179,175) were equal to over 31% earned on the \$7,000,000 capital stock.

No bonds are outstanding. By Act of Congress the sum of \$2,148,217 was appropriated by the United States Government to redeem on October 1, 1907, at 105 and interest, in accordance with the terms of the Mortgage, all of the then outstanding bonds (First Mortgage $4\frac{1}{2}\%$ s) of the Panama R. R. On June 30, 1915, \$1,848,217 of this sum, together with \$1,399,115 cash appropriated through the Isthmian Canal Commission (original appropriation was \$2,786,830), remained due to the U. S. Government. The company has been released from further payments on account of principal and interest upon its indebtedness to the Government, for which, however, until further action the company is still held accountable.

This company operates directly a line of railroad in the Isthmus of Panama, extending from Colon on the Atlantic Coast to Panama on the Pacific Coast (48 miles) with various branches. The total mileage of tracks under the company's control was 131 miles, likewise 77 miles of track owned by the Canal contractors were oper-

ated and maintained; also a line of steamships, operating between Colon and New York. (See a following paragraph).

The Panama Steamship Co. (owned by the Railroad Co.) operates a fleet of eight steamships. Six of these steamers (two of 12,000 gross tonnage, two of 9,606 gross tonnage and two of 5,667 gross tonnage) are chartered and two are owned (gross tonnage 3,905 and 2,605 tons, respectively). In addition, the Steamship Co. owns a considerable fleet of lighters, tugs, etc. The Gross Revenue from the Steamship Line for 1914-15 was \$2,642,457 against \$2,255,101 in 1913-14, \$2,151,158 in 1912-13; \$1,996,299 in 1911-12; \$1,860,111 in 1910-11 and \$1,876,727 in 1909-10, and the Net Profit was \$499,853, against \$314,296 in 1913-14, \$221,490 in 1912-13, a Net Loss of \$305,743 in 1911-12, a Net Profit of \$77,188 in 1910-11 and \$167,952 in 1909-10.

During 1914-15 \$2,075,788 (net) was expended for Additions and Betterments of the plant and equipment, against \$1,168,715 in 1913-14.

The balance sheet of the Panama R. R. as of *June 30, 1915*, showed Current Assets (including \$2,724,541 cash, \$1,575,556 material, coal and supplies, but not including \$2,060,811, marketable securities owned), \$5,721,971, and Current Liabilities, \$2,364,260. Equipment and Plant Depreciation Reserves totalled \$1,609,025, and there was a credit balance to Profit and Loss of \$16,941,072.

No statement for 1915-16 had been issued at date of going to press.

ARGENTINE NORTHEASTERN RY.

See Table, page 208.

This company's lines extend from Concordia in the province of Entre Rios (where connection is made with Entre Rios Rys.) to Corrientes, capital of the province of that name, and to Posadas. At the latter point a car ferry service has been established affording a connection with the Paraguay Central Ry. operating in the Republic of Paraguay. In October, 1913, through passenger train service via this railway, the Entre Rios Ry. and the Paraguay Central Ry. was placed in operation between Buenos Ayres and Asuncion, the capital of Paraguay. An extension southward from Concordia to Concepcion del Uruguay (about 84 miles) was opened for operations January, 1915, and a large additional mileage is under construction or is projected, including a line to Puerto Aguirre near the Brazilian frontier. During 1915-16 traffic was interchanged with Paraguay as follows: passengers, 2,660; freight, 30,755 tons; animals, 26,848.

No dividends are paid on the ordinary stock of this company.

In December, 1911, £1,000,000 5% "C" Debenture stock was authorized and was sold at 85, the proceeds to be used to complete extensions then under construction. In 1912-13, £203,886 "A" Debenture stock was sold.

The company's capital authorized and outstanding as of June 30, 1916, was as follows:

	Authorized.	Issued.	Balance.
1575 Shares of £20 each.....	£31,500	.....	£31,500
Stock	2,768,500	£2,768,500	.....
5% "A" Debentures and "A" De- benture Stock	1,200,000	1,200,000	.....
5% "B" Debentures and "B" De- benture Stock	1,157,292	992,229	165,063
"C" Debentures and "C" Deben- ture Stock	2,000,000	1,023,750	*976,250

*Includes £827,432 deposited as Security for Temporary Loans. These Temporary Loans, with interest accrued thereon, amounted as of June 30, 1916, to £330,973.

In 1914-15 and 1915-16 full interest (5%) was paid on the "A" Debentures and Debenture Stock. Interest on the "B" Debentures and Stock was paid in each year $2\frac{1}{2}\%$ in cash and $2\frac{1}{2}\%$ in 5% Funding Scrip. Interest on Temporary Loans was likewise paid in 5% Funding Scrip. Interest at the rate of $2\frac{3}{8}\%$ was paid on the "C" Debentures and Stock for the year to June 30, 1914 in "C" Debentures and stock, in accordance with a Scheme of Arrangements dated July 21, 1915. This interest was paid in November, 1915.

Gross Traffic Receipts July 1, 1916, to January 1, 1917, were £172,202 as compared with £172,170 for a similar period during 1915-16.

BUENOS AYRES & PACIFIC RY.

See Table, page 209.

The first preference stock and the second preference stock are entitled to receive dividends of 5% each in order of priority. The dividend on the first preference stock is cumulative. Dividends on the three classes of stock have been paid since 1907-8, fiscal years ending June 30, as follows:

	'08	'09	'10	'11	'12	'13	'14	'15	'16
First Preference	5	5	5	5	5	5	5	5	5
Second Preference	5	5	5	5	5	5	5	*	5
Ordinary	7	5	3	$3\frac{1}{2}$	2	3	0	0	1

*£2 16s 6d per £100 stock.

The 4% First Debenture stock (£2,925,000 authorized and outstanding) and the 5% Second Debenture stock (£2,075,000 authorized and outstanding) are a first and second charge on the property of this company. The latter class of stock is redeemable at 105 at the company's option. £7,942,673 $4\frac{1}{2}\%$ Consolidated Debenture stock and £4,000,000 5% Debenture stock (issued 1912 to 1915) were also outstanding on June 30, 1916, being charges on the property in the order of priority.

The company's balance sheet as of June 30, 1916, showed a balance of Current Assets over Current Liabilities. Among the Current Assets was cash to the amount of £424,320.

This company leases the Argentine Great Western Ry., the Bahia Blanca & Northwestern Ry., the Villa Maria & Rufino Ry. and the Argentine Transandine Ry.

The lines of this company and of the companies leased by it extend from Buenos Ayres on the east, to the Transandine Tunnel in the heart of the Andes Mountains (the tunnel is two miles in length and its altitude is over 10,000 feet). Here connection is made with the Chilian Transandine Ry. which runs down the western slope of the mountain and which in turn connects with Chilian Rys., these lines thus forming a Transcontinental system from the Atlantic Ocean to the Pacific Ocean. A large number of extensions and branches have been constructed by the B. A. & P. Ry. during recent years.

Wheat and other cereals, wine and grapes and live stock constitute the principal tonnage hauled by this railway system.

BUENOS AIRES CENTRAL RY.

See Table, page 210.

The main line of this Company extends from Buenos Aires, in a westerly direction, to Rojas and other points, together with a branch to Zarate on the Parana River. From Zarate a car ferry connects with the Entre Rios Rys. and through trains are operated via these lines, the Argentine Northeastern Ry. and the Paraguay Central Ry., to Asuncion, capital of Paraguay. The line is partly double tracked.

Dividends have been paid in recent years on the stock as follows: 1910-11 and 1911-12, $1\frac{1}{2}\%$ each; 1912-13 and 1913-14, 3% each; 1914-15, 2% ; 1915-16, $3\frac{1}{2}\%$. This stock is held in Argentina and is listed on the Buenos Aires Stock Exchange.

The outstanding Debentures consist of £700,000 $4\frac{1}{2}\%$ s and £600,000 5s. The $4\frac{1}{2}\%$ s were issued £300,000 in 1907; £300,000 in 1908 and £100,000 in 1913. The Debentures are listed in London.

The traffic handled by this railway consists mainly of live stock and grain.

This railway owns valuable terminals at Chacarita, a suburb of Buenos Aires, and has trackage rights over the Lacroze Tramways into the city.

BUENOS AYRES GREAT SOUTHERN RY.

See Table, page 211.

The lines of this company extend from Buenos Ayres (where extensive and valuable terminals are owned) in a southerly and southwesterly direction, through the province of Buenos Ayres, converging at Bahia Blanca. Practically all of the important points in the eastern, central and southern parts of the province of

Buenos Ayres are reached. From Bahia Blanca a line runs in a westerly direction to Senillosa from which latter point it is being extended to Pino Hachado Pass on the boundary line with Chili (nearly 200 miles). Here connections will be afforded with the Chilian State Rys. Branch lines are to be constructed from Rio Colorado and Darwin on the western extension of the main line through the province of Rio Negro to Port San Antonio on the Gulf of San Matias. At Port San Antonio a connection will be afforded with the Patagonia Ry., which the Government is constructing and which will strike westward across Patagonia thence southward towards the Straits of Magellen. A large portion of the mileage is double-tracked, while in the vicinity of Buenos Ayres the line has four tracks. The Buenos Ayres Great Southern Ry. had completed to June 30, 1916, 3,792 miles.

£15,472,560 4% Debenture stock outstanding June 30, 1916, is part of an authorized issue of £15,750,000. The £1,032,930 and £242,600 4½% Debenture stock was issued to the Buenos Ayres Western Ry. in payment of the Saladillo Branch and of the Brandzen Branch.

The ordinary stock received dividends of 7% per annum from prior to the year 1900 to and including 1912-13. In 1913-14, the dividend rate was reduced to 5% per annum, and in 1914-15 to 4% per annum. In 1915-16 4½% was paid. Nearly all of the stock has been sold to the stockholders at par.

The gauge of this road is 5 feet 6 inches. A similar gauge is used by the principal railway lines in the Republic of Argentine. The rail used in the main track is largely 85 to 100 pounds in weight.

As of June 30, 1916, the company had on hand a large amount of stores and supplies, and current assets.

See Buenos Ayres Western Ry. regarding lease of the Buenos Ayres Midland Ry. by the Buenos Ayres Great Southern Ry. and Buenos Ayres Western Ry.

BUENOS AYRES WESTERN RY.

See Table, page 212.

The 5% and 4½% Preference Shares are repayable at £11 per £10 share in the event of the company being liquidated or the line sold. An issue of £3,400,000 4½% Guaranteed Preference stock has been authorized. None of this class of stock had been issued to June 30, 1916. Dividends of 7% per annum were paid on the Ordinary stock from 1902-3 to 1909-10, and in 1911-12 and 1912-13; in 1910-11 7½% was paid; in 1913-14, 1914-15 and 1915-16 5% each was paid.

The line of this company extends westward from Buenos Ayres into the districts of La Pampas and San Luis.

A number of extensions are authorized or are under construction. A portion of the mileage suburban to Buenos Ayres is being operated by electricity while electrification is in progress on additional mileage.

In May, 1915, £1,000,000 5% Terminable (1925) Debenture stock was issued to stockholders and was largely over-subscribed.

Live stock (mostly sheep) form one of the Buenos Ayres Western Ry.'s principal sources of traffic. 7,018,867 live stock were handled in 1914-15, also \$2,089,975 tons of goods, of which all except 591,166 tons consisted of Products of Agriculture.

The company received in 1915-16 £149,808 as rental and as interest on securities received in payment for lines disposed of to other companies as follows: Central Argentine Ry. Northern Branches, £90,787; Buenos Ayres Gt. Southern Ry., interest on £1,032,930 4½% Debenture stock for the Saladillo Branch, £46,482; same company for Rental Brandzen Branch, £10,917, and B. A. & Pacific Ry. interest in respect of Chacarita Branch £1,622.

Jointly with the Buenos Ayres Great Southern Ry. this company has acquired the Buenos Ayres Midland Ry., Buenos Ayres to Carhue (320 miles). 3% per annum from January 1, 1914, until June 30, 1916, and 4% per annum thereafter has been guaranteed on the preference and ordinary shares of the Midland Ry. The B. A., Western Ry. paid to the Midland Ry. in 1915-16 as per Working Agreement, £68,296.

CENTRAL ARGENTINE RY.

See Table, page 213.

The preference stock is entitled to dividends at the rate of 4½% per annum in priority to the consolidated ordinary stock and the deferred stock. £9,695,718 of this class of stock was outstanding June 30, 1916. The authorized issue of preferred stock is limited to one-half of the amount of ordinary and deferred stock issued from time to time.

The consolidated ordinary stock, £28,186,950 of which is outstanding, is entitled to 5% per annum, after which the deferred stock (£811,800 outstanding) receives 5%, then both issues share pro rata in further dividends. An additional £3,000,000 £10 shares have been authorized.

The 4% Debenture stock, £13,436,940 of which was outstanding June 30, 1916, is a first floating charge on the entire property, subject only to the £2,017,500 annuity issued to the Buenos Ayres Western Ry. in payment for lines acquired, and to £123,772 3½% Central Debenture stock. The Debenture capital cannot exceed two-thirds the share capital outstanding at any time.

For the year ending June 30, 1913, and for a number of years previous, dividends of 6% per annum were paid on the consolidated ordinary stock and on the deferred stock. In 1913-14 the dividend was reduced to 5% per annum. In 1915-16 4% was paid on the consolidated ordinary stock; no dividend was paid on the deferred ordinary stock.

Early in 1917, the Central Argentine Ry. sold to an American syndicate \$15,000,000 ten-year 6% Notes, convertible into ordinary

stock at par after one year. The proceeds of this Note issue will be used to retire a like amount of 5-year 5% Notes.

The Central Argentine Ry. operates an important system of railways extending from Buenos Ayres and Rosario, to Cordoba, Tucuman, Santa Fe, etc., including two lines between Buenos Ayres and Rosario, one of which is the main line extending to Tucuman. The country served by this railway system is highly productive and is growing rapidly.

The balance sheet as of June 30, 1916, showed an extremely strong financial condition. The amounts of Cash, Securities held for Investment, Stores, etc., greatly exceeded Current Liabilities, and large sums were reserved for Renewals, Insurance, Casualties, etc., etc.

A portion of this railway is being electrified.

There follows a table showing the growth of this System during a period of ten years:

	1902-3	1912-13	Inc. %
Average Miles Operated	2,316	2,994	29.3
No. of Passengers Carried	7,070,289	21,721,273	207.2
*Tons of Goods Carried	3,939,757	9,449,209	139.8
Tons of Live Stock Carried	300,932	654,895	117.6
Gross Receipts	£2,796,296	£6,489,346	132.1
Net Receipts	£1,389,072	£2,770,411	99.4
Train Miles	5,042,089	10,314,245	104.6
Accumulated Reserve Funds	£643,897	†£2,173,138	237.5

*Includes company freight. †June 30, 1912, amounts larger on June 30, 1913.

ENTRE RIOS RYS.

See Table, page 214.

This line extends from Zarate (168 miles from Buenos Ayres) via ferry to Ibicuy (49 miles) and from the latter point to Concordia in the province of Entre Rios, with several branches and extensions. This line forms part of a direct through route between Buenos Ayres and Asuncion, the capital of Paraguay. Through passenger service via this railway and via connecting lines was established between these two points in 1913. It is expected that the ferry route across the Parana River will be shortened from 49 miles to 18 miles, and that the company will secure improved terminal facilities in Buenos Ayres (Buenos Ayres Central Ry. tracks at present used between Zarate and Buenos Ayres).

The first preference stock is entitled to dividends at the rate of 5% per annum. On June 30, 1904, 39½% in back dividends remained due on this stock. In lieu of the same the first preference shareholders received 105% in 4% non-cumulative second preference stock and agreed to waive their cumulative right until dividends shall have been paid on both classes of preference stock for three consecutive years.

In each of the years 1909-10, 1910-11, 1911-12 and 1912-13, 5% was paid on the first preference stock, while 1%, 4%, 4% and 4% each was paid on the second preference stock. In 1913-14, 2½% was paid on the first preference stock and 2% on the second preference stock. No dividends have since been paid. In 1910-11, 1½% was paid on the ordinary stock. No dividends have since been paid on the ordinary stock.

On July 12, 1912, a company (incorporated in Maine) known as the Argentine Ry. was formed for the purpose of consolidating and constructing various railway lines in the Republic of Argentine. This company issued \$15,000,000 6% preferred stock and \$30,000,000 common stock, and was controlled by interests similar to those in control of the Brazil Ry. (Speyer Bros., Kuhn, Loeb & Co., Sir Wm. C. Van Horne, Percival Farquhar, etc.). The charter of this company was a broad one, empowering it to operate railways, traction lines, gas and electric light, heat and power plants, to deal in land, to mine, to refine oil, etc., etc. In October, 1912, the Argentine Ry. leased the Entre Rios Rys. Under terms of the agreement, in the event of the Net Revenue not being equal to the interest and dividends on the debenture and preference stock and to the following dividends on the ordinary stock of the Entre Rios Rys., Ltd., viz.: 2% per annum to June 30, 1913; 3% for 1913-14; 4% for 1914-15 and 1915-16, and 5% thereafter, the Argentine Ry. guaranteed to provide from its own resources towards any deficiency there might be, a sum not exceeding in any one year the amount of the dividend above specified for that year on the ordinary stock. The Argentine Ry. further guaranteed the dividends on the first and second preference shares for 1912-13. All surplus, above dividend requirements, was to have been divided 25% to the Entre Rios Rys. and 75% to the Argentine Ry. In 1912-13 under the terms of this agreement the Argentine Ry. paid to the Entre Rios Ry. the sum of £67,669, of which £43,894 was repayable out of future surplus revenues.

In 1913-14 and subsequently owing to financial difficulties, the Argentine Ry. was unable to advance the guarantee to the Entre Rios Rys. In lieu of these cash advances the Argentine Ry. turned over to the Entre Rios Ry. stock of the French Ry. of the Province of Sante Fe, equivalent in nominal amount to £50,000.

ANTOFAGASTA (CHILE) & BOLIVIA RY.

See Table, page 215.

The Preference Stock of this company is entitled to and receives dividends of 5% per annum. Dividends are cumulative. The Preferred Ordinary Stock is entitled to dividends of 5% per annum, non-cumulative, in priority to the Deferred Ordinary Stock (5% paid 1914; 6% 1913; 5% 1912). After the Deferred Ordinary Stock receives 10% both issues share alike in all further distribution of profits. \$10,000,000 of each of these three classes of stock has been

issued and is outstanding. 8% each was paid from the surplus of 1914 and of 1915 on the Deferred Ordinary Stock, against 11% in 1913, 8½% in 1912 and 8% in 1911.

The 4½% Perpetual Debenture Stock is secured by a first charge on the property, ranking prior to the 4½% and 5% Debenture Stock. These latter Debenture Stocks are redeemable in 1940 at 105 and 110 respectively. \$5,000,000, \$5,000,000 and \$7,500,000 respectively of these classes of Debenture Stocks were outstanding December 31, 1915. On that date \$3,000,000 (£600,000) 5% (Bolivia) Debenture Stock, redeemable in 1960 at 110, was also outstanding, being secured by £729,065 bonds of the Bolivia Ry., guaranteed by the Government of Bolivia.

Under date of December 15, 1914, an issue of £300,000 6% 2-year Notes, due December 15, 1916, were sold. They are secured by £750,000 of the 5% (Bolivia) Debenture Stock.

In August 1916, \$3,000,000 2-Year 6% Notes were sold to an American Banking Syndicate. They are secured by Debenture Stock having a value of over \$3,800,000.

The balance sheet of the company as of December 31, 1915, showed a substantial margin of Cash and Current Assets, Stores, etc., over Current and Accrued Liabilities. There were large amounts to the credit of various Reserve Accounts.

This railway operates in the two Republics of Chile and Bolivia. The tidewater terminals are at Antofagasta on Morena Bay (Pacific Ocean), a port from which a large quantity of nitrate is shipped, and also at Mejillones. The railway extends through the vast nitrate fields of Chile into Bolivia, which latter country is entered at an altitude of 12,000 feet. At Uyani (Bolivia), about 379 miles from Antofagasta, the great silver district of Huanchaca is reached. From Uyani the railway continues to Oruro, where connection is made with the Bolivia Ry., a leased line (see following). This latter line is used between Oruro and Viachi. From Viachi the Antofagasta & Bolivia Ry. proper was, in 1916, constructing a line to La Paz, the principal city of Bolivia. The mileage between Antofagasta and Uyani is of 2 ft. 6 in. gauge, which is to be broadened to the metre gauge, conforming with the standard adopted by connecting lines.

The Antofagasta & Bolivia Ry. expended, prior to December 31, 1915, the sum of £2,037,498, for the acquisition of the common stock and one-half of the First Mortgage 5% bonds of the Bolivia Ry. The Bolivia Ry. bonds are all guaranteed as to interest by the Government of Bolivia. The First Mortgage 5% bonds not owned by the Antofagasta & Bolivia Ry. bear the guarantee of this company and also of the Bolivian Government.

The principal commodities handled by the Antofagasta & Bolivia Ry. in 1915 were nitrate (814,955 tons) borate silver ore, tin ore (from Bolivia), coal, petroleum, copper, etc.

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